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SESSION 1936

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

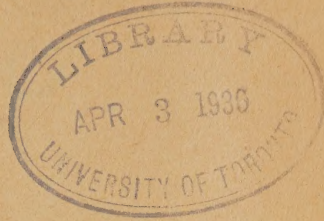
TUESDAY, MARCH 24, 1936

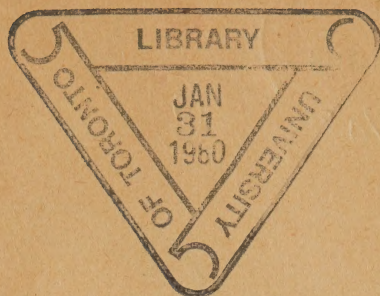
TUESDAY, MARCH 31, 1936

WITNESS:

Mr. Hector Charlesworth, Chairman of the Canadian Radio Broadcasting
Commission, Ottawa.

OTTAWA
J. O. PATENAUDE, I.S.O.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
OTTAWA





MEMBERS OF THE COMMITTEE

MR. A. L. BEAUBIEN, *Chairman*

Mr. E. Bertrand,
Mr. G. Bouchard,
Hon. C. H. Cahan,
Mr. C. A. Campbell,
Hon. P. J. A. Cardin,
Mr. K. J. Cochrane,
Mr. V. Dupuis,
Mr. A. McK. Edwards,
Mr. T. V. Grant,
Mr. O. Hanson,
Mr. C. B. Howard,

Hon. C. D. Howe,
Mr. C. E. Johnston,
Mr. F. D. MacKenzie,
Hon. I. A. Mackenzie,
Mr. C. R. McIntosh,
Mr. P. Martin,
Mr. D. Massey,
Mr. D'A. B. Plunkett,
Mr. W. M. Ryan,
Mr. A. G. Slaght,
Mr. J. S. Woodsworth.

E. L. MORRIS,
Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

THURSDAY, March 19, 1936.

Resolved,—That a Special Committee consisting of: Messrs. Beaubien, Beaubier, Bertrand (Laurier), Bouchard, Campbell, Cardin, Cochrane, Dupuis, Edwards, Grant, Hanson, Howard, Howe, Johnston (Bow River), MacKenzie (Neepawa), Mackenzie (Vancouver Centre), McIntosh, Martin, Massey, Plunkett, Ryan, Slaght, Woodsworth, be appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof: to advise what, if any, changes shall be effected in the existing system of radio broadcasting; and whether the said statutes and regulations should be amended in whole or in part, and what, if any additions should be made thereto; also to inquire into the extent to which there has been any abuse of broadcasting privileges, either for political or advertising purposes, and to advise as to what principles should govern the regulations or control thereof; that Rule 65 be suspended in relation thereto; that the said Committee be empowered to send for persons, papers and records, to examine witnesses for evidence, to print such papers and evidence from day to day, as may be ordered by the Committee for the use of the Committee and members of the House, and to report from time to time.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MONDAY, March 23, 1936.

Ordered,—That the name of Mr. Cahan be substituted for that of Mr. Beaubier in the Special Committee appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS,

COMMITTEE ROOM No. 429,

TUESDAY, March 24, 1936.

(Organization Meeting)

The Special Committee appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and amendments, and the regulations made thereunder, met for organization at 11.00 o'clock a.m. this day, the following members of the Committee being present:—

Messieurs:—Beaubien, Bouchard, Campbell, Cochrane, Edwards, Grant, Hanson, Howard, Howe, Johnston (*Bow River*), Mackenzie (*Vancouver Centre*), Martin, Massey and Woodsworth—14.

On motion of Mr. Hanson, seconded by Mr. Martin, Mr. Beaubien was unanimously elected Chairman of the Committee.

Mr. Beaubien took the Chair. He thanked the Committee for the honour shown him in selecting him to preside over the future meetings, and said he hoped to have the full co-operation of the Committee to assist him in carrying out his duties.

The Chairman stated that the Meeting to-day was only for purposes of organization, but if any members had suggestions to make he would be glad to hear them.

The question of reducing the quorum was discussed, but it was finally decided to leave the matter in abeyance.

The question of sitting while the House is sitting was discussed, but finally decided that that matter also could be left in abeyance for a later decision.

The matter of appointing a Sub-Committee on Agenda was raised. After discussion, Mr. Martin moved, seconded by Mr. Campbell: that the Chairman appoint five members of the Committee to act in conjunction with himself as a Sub-Committee on Agenda.

Mr. Cochrane, seconded by Mr. Grant, moved in amendment: that the Sub-Committee be comprised of a sufficient number of Members to provide for representation from each Province of the Dominion.

The Chairman submitted the amendment which was negatived on division (Show of hands).

The original motion was then adopted by a show of hands vote, and the Chairman named the following members as the Sub-Committee on Agenda:—

Hon. Mr. Howe, as Chairman of Sub-Committee, Hon. Mr. Cahan, Hon. Mr. Mackenzie, Mr. Slaght, and Mr. Woodsworth.

On motion of Mr. Campbell, seconded by Mr. Bouchard, it was resolved: that 700 copies in English and 300 copies in French of the proceedings and evidence to be taken, be printed from day to day, or as required, for the use of the Committee, and for Members of the Senate and House of Commons.

After some further discussion as to the next day of meeting, Thursday, March 26 was mentioned, but dependent upon the report of the Agenda Sub-Committee, it was finally decided to adjourn to the call of the Chair.

The Committee adjourned.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS,

COMMITTEE ROOM 268,

TUESDAY, March 31, 1936.

The Special Committee on the Canadian Radio Commission, pursuant to notice, met at 11.00 o'clock this day, Mr. Beaubien, the Chairman, presiding.

The following Members of the Committee were present:—

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Cahan, Campbell, Cardin, Cochrane, Dupuis, Edwards, Hanson, Howard, Howe, Johnston (*Bow River*) MacKenzie (*Neepawa*), Mackenzie (*Vancouver Centre*), McIntosh, Martin, Massey, Plunkett, Ryan, Slaght, and Woodsworth—22.

In Attendance: Mr. Charlesworth, Chairman, Lt.-Col. W. A. Steel, Commissioner, Canadian Radio Commission; also Mr. E. L. Bushnell, Lt.-Col. Landry, and Mr. E. C. Buchanan, officials of the Radio Commission.

Present: Commander C. P. Edwards, Director of Radio, and Mr. Donald Manson, Chief Supt. of Radio, Department of Marine. Mr. Alan Plaunt, representing the Canadian Radio League, Toronto, and other interested persons.

The Chairman stated that correspondence from persons and organizations was coming to hand daily, and he wished to know the decision of the Committee as to the best method of dealing with it. He read a letter from the Canadian Press, which expressed a desire to submit representations to the Committee before the Easter Recess. (See evidence for letter).

After some discussion as to the disposition of the correspondence received from day to day, Mr. McIntosh moved, seconded by Mr. Hanson: That all communications received by the Chairman, or by others for the Committee, be listed in each day's Minutes of Proceedings, and to be always available to the members of the Committee.

Motion adopted.

The Chairman submitted list of communications, as follows:—

Communications received up to Tuesday, March 31—

Thos. Ryan, London, Ontario. Feb. 20, 1936.

J. Norman Robertson, 4314 West, 13th Ave., Vancouver, B.C. March 9.

Frank Eliason, Sec. of United Farmers of Canada, Saskatoon, Sask, March 20.

Alfred Morris, Sec. East Hamilton Canadian Legion, Hamilton, Ont., March 21.

Allan B. Plaunt, Hon. Sec. Canadian Radio League, Toronto, Ont. March 21.

Mr. Eugène Brochu, St-Charles de Caplan, Que. March 24.

Mr. J. F. B. Livesay, Sec. The Canadian Press. 272 Bay St., Toronto. March 25.

Mr. Floribert Godard, L'Annonciation, Que. March 27.

Reverend Paul H. Pannetier, 5960-6ième avenue, Rosemont, Montreal, March 30.

Mr. Charlesworth called. In response to the Committee's request, after the previous meeting, Mr. Charlesworth submitted a list of the employees of the Radio Commission throughout Canada, together with a book showing extra duties performed. It was decided by the Committee that such information be for its members only.

Mr. Howard moved, seconded by Mr. McIntosh: That Mr. Slaght be asked to put the necessary questions to Mr. Charlesworth, in order to bring out the outstanding details of the 1934 report of the Special Committee on Radio.

Motion adopted.

Mr. Slaght proceeded to the examination of the witness along the line suggested. Numerous questions were asked by other members of the Committee.

A certain recommendation made to the Government by the Commission was mentioned by the witness, which Mr. Slaght asked to have furnished to the Committee, if available.

Agreed to.

Report of the Radio Commission for 1935 to be filed and marked as Exhibit 1.

Regulations passed by Order-in-Council and by the Commission, not in printed form, to be prepared by the Commission and a copy supplied for each member of the Committee. Agreed to. To be marked as Exhibit No. 2.

A summary of complaints from organized bodies, together with favourable comments, to be furnished by the Commission, for the information of the Committee.

Agreed to.

Mr. Slaght and Mr. Campbell asked that the following information be furnished to the Committee by the witness, so far as possible at the next sitting of the Committee, viz:—

The line wire contract with the railway lines, C.N.R. and C.P.R.

Anything in writing pertaining to the arrangement with the Bell Telephone Company, in connection with use of line.

A list of any persons or organizations using the time of the Commission without charge.

A short summary of religious broadcasts, or of a philanthropic character, that receive a special rate.

Special price schedule for broadcasts from different stations, per hour, per half hour, and per quarter hour; and also any variation of these schedules.

Copy of any regulations with regard to time available for political broadcasting, and cost of same, with other information pertaining thereto.

Agreed to.

The question of giving a hearing to the Canadian Press on April 7 next was discussed. It was finally decided to leave matter in the hands of the sub-committee on Agenda, for arrangement.

Mr. Alan Plaunt requested that the Canadian Radio League be permitted to appear before the Committee and make submissions, at a date to be fixed some time after Easter.

Agreed to.

The Committee decided to request Mr. Charlesworth to appear before the Committee at its next meeting.

After discussion the Committee adjourned to meet again on Thursday, April 2, at 11.00 a.m., Room 375.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 268,

OTTAWA, March 31, 1935.

The special committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 11 a.m., the chairman, Mr. A. L. Beaubien, presiding.

The CHAIRMAN: As we have a quorum we shall proceed. Each of you has a copy of the order of reference and it will not be necessary for me to read it. At the last meeting a sub-committee was appointed by the chair and agreed to by the committee to prepare the agenda for the committee. I think each of you has a copy of that agenda. The first matter we have to deal with this morning is the handling of the committee's correspondence. I have received several letters from organizations and individuals, and I should like to know the wish of the committee in regard to that correspondence. I may say that I have acknowledged all letters that I have received.

Mr. WOODSWORTH: What is the nature of the correspondence?

The CHAIRMAN: There are letters from certain organizations asking to be given the privilege of presenting a brief or memorandum with someone to give explanations of the brief or memorandum.

Mr. McINTOSH: Do the letters come from all parts of the Dominion or are they limited to any one part?

The CHAIRMAN: I have one from the Canadian Press and another from the United Farmers of Canada. There are individual letters which are more of complaints against certain wavelengths and that sort of thing. I have received a special request from the Canadian Press, which reads as follows:—

TORONTO, CANADA,

March 25, 1936.

A. L. BEAUBIEN, Esq., M.P.,
Chairman,

House of Commons Radio Committee,
Ottawa, Ont.

DEAR MR. BEAUBIEN,—Mr. Carnegie, our Ottawa Superintendent, tells me you have been good enough to talk with him about the representation our President, Mr. Preston, and a small committee of our board of directors would like to make before your radio committee in regard to news on the air. With your kind consent we would like to present our view orally and supplement this with a brief printed memorandum.

Our desire to make this representation sprang from the meeting of the Board of Directors last November. Our board meets again towards the end of April prior to our annual meeting and if possible we would like to be in a position to inform the board of what we have accomplished before your committee. For this purpose we would greatly appreciate if

you and your committee would be agreeable to receiving us before adjournment for the Easter recess. Our presentation indeed would take up but a very short time. Mr. Carnegie suggests you might perhaps arrange this for Tuesday, April 7, and that would suit us admirably.

With kind regards,

Sincerely yours,

(Sgd.) J. F. B. LIVESAY,
General Manager.

Mr. WOODSWORTH: Was the committee appointed the other day supposed to deal merely with the preliminary agenda, or was it supposed to be a permanent agenda committee?

The CHAIRMAN: The committee of five?

Mr. WOODSWORTH: Yes.

The CHAIRMAN: That sub-committee was appointed to prepare the agenda, to guide the committee in its deliberations.

Mr. McINTOSH: At each meeting?

The CHAIRMAN: To suggest to the committee what subjects ought to be discussed.

Mr. WOODSWORTH: If that sub-committee is a permanent body it seems to me that submissions of this kind, or requests to be permitted to lay submissions before this committee, should be referred to it. If it is not a permanent committee then we ought to have such a body to suggest the program from time to time.

Mr. McINTOSH: That is what the sub-committee appointed last week was supposed to do.

The CHAIRMAN: Yes.

Mr. McINTOSH: We have a sub-committee now; it is not necessary to appoint another sub-committee.

The CHAIRMAN: There is only one difficulty. Sometimes it is very hard to get that number together. Probably if we had a sub-committee of three it would be easier.

Hon. Mr. HOWE: The sub-committee has been appointed, and I think it should deal with matters such as these. I think that correspondence should be referred to the sub-committee and the sub-committee should make a report to the main committee on how the correspondence has been handled. The correspondence might be tabled here so that anybody who desires to peruse it will have the opportunity.

Mr. McINTOSH: I think the correspondence should be made available to all members as some members of the committee might want to read it.

Mr. SLAGHT: I notice what they did in 1934, Mr. Chairman, when dealing with this matter. The previous committee investigating radio in 1934 listed all communications to the chairman or to the committee and printed the list in the Minutes of Proceedings. In that way they were always available to the members of the committee. That saved the time of the committee. The question then arose as to whether or not every communication received by the chairman or the committee should be read by the chairman to the committee. After discussion it was decided that it would be a waste of time; but it was arranged that the communications should always be available.

Mr. McINTOSH: I think that is a good idea.

Mr. HANSON: To have the correspondence entered in the minutes?

Mr. SLAGHT: No, that is not what they did. They merely listed in the minutes the date of the communication and from whom the communication came. They did not put on the minutes the contents of all the communications, because some of them were important and some of them were not of much importance; but they were always at the disposal of the committee. There is no need to clutter up the record with all these communications.

Mr. McINTOSH: Classify the communications so that if any one person wanted to read them they would be available.

The CHAIRMAN: Is it the wish of the committee that this correspondence be referred to the sub-committee and after it has been dealt with, and the sub-committee comes to the conclusion that it is essential that that correspondence—

Mr. SLAGHT: No; the sub-committee did not exercise any discretion in throwing anything out. They listed merely the name of the writer and the date of the communication and the communications were available to all; and any member of the general committee had the opportunity to bring up the contents of any communication to be dealt with from time to time.

Mr. CAMPBELL: I feel the sub-committee should decide whether these people should be called or not.

The CHAIRMAN: Does the committee agree with Mr. Slaght's suggestion?

Mr. McINTOSH: I would make that motion, seconded by Mr. Hanson.

Motion agreed to.

Mr. SLAGHT: I think the clerical work in regard to this correspondence should be done by the clerk of the committee.

The CHAIRMAN: We did not invite any persons to appear before the committee to-day, but after consultation with the members and the minister, we have invited the Radio commission to be present. I have asked the Radio commission also, through the secretary of the committee, to bring with them a list of their staff at headquarters and outside. The members of the commission are here. Mr. Charlesworth and Mr. Steele are here, and if it is your wish I shall ask Mr. Charlesworth to come forward.

Mr. WOODSWORTH: I think the general feeling of the committee was that we should not review the whole radio broadcasting set-up, but rather the points particularly referred to; that is, what changes were necessary in order to make radio broadcasting more efficient, and how it should be done. Was not that the idea, instead of going over the whole radio broadcasting set-up, which has been dealt with very fully by previous committees.

The CHAIRMAN: Mr. Woodsworth, we shall have to stick to the order of reference.

Mr. WOODSWORTH: I am referring to that.

Mr. McINTOSH: You cannot go outside it. You must keep within the ambit of the reference.

Mr. WOODSWORTH: The order of reference, clause 2 says:

And whether the said statutes and regulations should be amended in whole or in part, and what, if any additions should be made thereto.

The CHAIRMAN: I am entirely in the hands of the committee.

Hon. Mr. MACKENZIE: I think you must review the present situation, and to do so I think you should call Mr. Charlesworth first.

Mr. WOODSWORTH: Quite so. All that I had in mind was we need not have a long statistical review and analysis of the whole problem of radio broadcasting. We already have that in the report of the commission and the report of the committees that have studied the question; but rather we should come as soon as possible to the practical problems that confront us such as are outlined in the reference.

HECTOR CHARLESWORTH, called.

MR. DUPUIS: Before we leave the item of correspondence I should like to mention that I have in my hand a resolution which, I think, has been sent to every member of the committee asking for the abolition of the French language. I suppose in a few days we shall receive another resolution asking for the abolition of the English language. As a compromise may I suggest we abolish both languages, and allow only the music on the air. I think it would be a good suggestion and would satisfy this unknown lodge, lodge No. blank. This communication seems to come from the House of Commons—

MR. McINTOSH: What province?

SOME hon. MEMBERS: New Brunswick.

MR. DUPUIS: It seems to come from the House of Commons.

MR. WOODSWORTH: Would you advocate that the songs be given in Italian?

MR. DUPUIS: In any language of the world, even Russian, or any other language on the air.

MR. RYAN: This is an anonymous communication. I think this committee ought to disregard anonymous correspondence altogether.

THE CHAIRMAN: I agree. I threw mine in the basket.

MR. RYAN: It is a scurrilous document.

MR. McINTOSH: I did not receive any document, so I did not have the pleasure of throwing mine in the basket.

THE CHAIRMAN: Gentlemen, we have Mr. Charlesworth, chairman of the Radio commission here, to give us the information we desire.

WITNESS: Gentlemen, I brought a list of the staff as I was requested by Mr. Morris. I have a complete list of the employees showing what they do, and if anything further is wanted, Colonel Landry is here with the book that shows the extra duties they perform. The list I have also has the salaries attached. I would suggest, however, that in using this list the salaries be omitted. Some of them are not very large, and it would be unfair to the people themselves. Their names are here, and I shall file the whole thing. I am just making that suggestion in regard to the salaries of the individuals.

By the Chairman:

Q. You have just one copy?—A. I was going to file it.

Q. You have seen a copy of the reference?—A. I saw what I read in the papers and I heard it read.

Q. Have you any suggestion as to how we should proceed, or what we should investigate? Can you give any suggestions, as chairman of the Radio Commission? You must have had a lot of complaints and commendations, and so forth?—A. I should like to see the question of our employees gone into. We have never been in a position to make any permanent appointments or to get a permanent set-up. One thing or another has gone against it, and it makes it rather difficult. Then I think this committee should make some inquiry into the whole question of coverage in this country. We, with our limited resources, have tried to solve the problem to some extent, but we realize that we are not attaining the ends that were expected in the Aird report, which demanded a large capital expenditure. Coverage varies greatly in different parts of Canada. There are certain parts of this country where a person who pays a two dollar license fee has a real grievance, because he is not getting the coverage to which he is entitled, and we are not in a position, financially, to give it to him. I think the Aird report called for a large capital expenditure outside of any revenue, but I doubt if this country would be prepared to go to that extent at the present time. I think the committee should look into the question of coverage. Our

[Mr. Hector Charlesworth.]

technicians will be quite willing to discuss the question and give you the benefit of their knowledge. We have very complete information in our technical department in regard to the question of coverage. That is one suggestion I make. Generally speaking, I should like the committee, for our own sakes, to find out just what the scope of our work is as a commission. It is much larger than anybody imagines. You hear about our programs in the press, our control of advertising, our co-operation with government departments, and that sort of thing. Our control of advertising is a very important item in our work, and we should like to have the opportunity to place before the committee just exactly what public utilities we perform outside entertainment. These are the things that occur to me at the moment. I did not know I was going to be asked these question, or I might have sat down and figured out something more.

By Hon. Mr. MacKenzie:

Q. Are you ready to proceed under the terms of the reference this morning; are you ready to give evidence on this point?—A. No, I am not; as a matter of fact, I should like to have a memorandum prepared on one other point. I have not seen your agenda, so I do not know what you intend to proceed with.

By Mr. Martin:

Q. You spoke as though you had been proceeding on the basis of the Aird report. Are you not proceeding rather on the basis of the 1934 committee report? —A. We were obliged to proceed on the basis of the 1932 committee report, whose recommendations were considerably revised in the House of Commons by the act passed by the House of Commons in 1932, under which my position and that of the others was created. This act bore a very small resemblance to the general outline of the Aird report, which was a capital report. In 1932 I had nothing whatever to do with radio and did not expect to have at that time. In that year the committee, of which Mr. Cardin was a member, made a very complete investigation. They found that the conditions of the country would not stand for such a large and expensive enterprise as was contemplated in the Aird report. For instance, if I remember rightly, it called for a \$3 licence fee, and it called for capital expenditure on stations of something like four million dollars. I have not a copy of that report with me. Our decisions have been based entirely on the instructions, practically the instructions, that were received from the parliamentary committee which created the commission. The recommendations of the parliamentary committee of 1934 were more or less negligible as affecting authority, except that they wanted to show us a little more latitude in the matter of controlling advertising. This provision was so incorporated in the act. For instance, it limited advertising to 5 per cent of the total duration of the hour, with a small margin of latitude left to the commission to let that be expanded. The parliamentary committee of 1934 decided that we were a little too severe on the advertiser. However, by that time we had got the advertiser educated, so that did not do much harm.

By Mr. McIntosh:

Q. Has the Act of 1932 been amended in a minor or major way since then? —A. The amendments since then have been purely minor. We found ourselves in a predicament, because the Act of 1932 is more or less contradictory, as any lawyer in this committee would see as soon as he read it, both in its financial provisions and also in the method of appointment. For instance, we were quite willing that the Civil Service Commission should appoint our accountants, stenographers and that sort of thing; but when the Civil Service Commission was formed, there was no contemplation that a thing like radio would arise, where you had to get hold of all kinds of performers to carry on the permanent

work of broadcasting. So a provision was made whereby in the matter of radio technicians, entertainers and that sort of thing, we had freedom of action, subject, of course, to the Treasury Board. Everything has to pass the Treasury Board. The Civil Service Commission took charge of providing for the staff in connection with stenographers and so forth.

Mr. MASSEY: May I make a suggestion, Mr. Chairman? This whole question has been considered on two previous occasions by committees. I think an inspection of the reports of these committees will give the members of this committee an idea of the enormity of the problem which we are met to discuss and consider. I think we could spend a great deal of time in promiscuously asking questions of the chairman of the Commission without really evolving anything that is tangible or consecutive. The members of this committee, individually and collectively, have questions that they wish to ask, questions whose answers are important to them. May I suggest, in order to expedite matters,—which I think would be in the best interests of all of us here and of the problem itself,—that there be gathered together this morning a list of questions which are essentially general and wide in their scope; that Mr. Charlesworth take those questions with him, and upon them prepare a memorandum and send a copy of the memorandum to every member of the committee; and that he be present in person at the next meeting so that we can discuss the memorandum article by article. In that way I think perhaps we can go over the ground much more rapidly. Further than that I think, just as Mr. Woodsworth has said, a great deal of time can be lost in going over the same ground. After all, there are certain basic and fundamental principles back of this whole question which have not changed and will not change. It seems to me to be a waste of time for this committee again to consider in full the whole broad problem. There is a specific problem which we have in hand at the moment—and I think the minister will agree with me—which is: Shall the present system continue or shall we change the system? Accordingly, I suggest, and I put it in the form of a motion, that there be prepared this morning from this committee a list of questions upon which the chairman of the Radio Commission will build a memorandum, a copy of which will be sent to every member of the committee; that the chairman of the Radio Commission be present at our next meeting, and that discussion be based upon the questions answered in that memorandum.

The CHAIRMAN: Did you want to say something, Mr. Slaght?

Mr. SLAGHT: I was not rising to second the motion. I understood my friend made a motion. I wanted to make a suggestion. If the motion is seconded and put, I do not see any objection to that course being followed. However, I have put a little study on the report of the last committee of 1934 and skimmed through in a very hurried way the evidence, the great mass of detail taken before that committee. If you approved, I thought I might develop from Mr. Charlesworth this morning in a very short time, a few matters that must really, in my view, be explained to the committee before we go very far with any branch of the inquiry. The thought came to me, as expressed by my friend Mr. Woodsworth, that instead of going away back into too much ancient history—of course, subject always to being able to go back—if we could make a start with the report of the committee of 1934 first, which is part of the agenda in the hands of each member, it might be well. It was my view that that might perhaps put some broad general facts before the committee from Mr. Charlesworth this morning, beginning largely with the report of 1934 and bridging the interval. If it is approved, I would be prepared to do that, but I do not want to interfere with my friend finding a seconder for his motion. I do think our ideas, in effect, are similar perhaps.

Mr. MASSEY: Yes.

[Mr. Hector Charlesworth.]

Mr. SLAGHT: I think we could really start usefully this morning by getting some facts from Mr. Charlesworth, not controversial ones perhaps, that would put us off on the right foot for the next meeting.

Mr. HOWARD: I think that is the proper way to proceed. Your agenda has been prepared. Your first item is the handling of the committee's correspondence. We have disposed of that. The second item is the consideration of the recommendations of the 1934 committee. I shall be very pleased to move that we ask Mr. Slaght to put the necessary questions to Mr. Charlesworth, in order to bring out the outstanding details of the 1934 report.

Mr. McINTOSH: I second that.

The CHAIRMAN: I might say, Mr. Massey, that I think the proper way to proceed is this: If you wish to ask any questions of the chairman of the Radio Commission, you should ask those questions. Then if there are any that he cannot answer, he would prepare a memorandum and bring it at the next meeting. I do not see how you can proceed otherwise.

It has been moved by Mr. Howard, and seconded by Mr. McIntosh that Mr. Slaght proceed. Are you in favour of the motion?

(Carried.)

Will you proceed, Mr. Slaght?

By Mr. Slaght:

Q. Mr. Charlesworth, just a word or two by way of introduction before we come to 1934. Your Commission operates under statute, of course, do they not?—A. Yes.

Q. And the original act was chapter 51 of 1932?—A. Yes.

Q. That was amended in 1933, or 1932-33, by chapter 35?—A. Yes. It is a brief act. It has been renewed from year to year.

Q. The 1935 act?—A. The 1932 act.

Q. The 1933 act, rather?—A. Yes.

Q. We may turn at once, if you have been furnished with a copy of the report of 1934, to the sixth recommendation of the committee of 1934. The report bears date June 28, 1934, and perhaps we should read the prelude, which is as follows:—

Your committee held twenty sessions and heard thirty-seven witnesses, including five members of parliament; and, after reviewing the evidence, it has been made apparent to your committee that the establishing of national broadcasting in Canada presents many difficulties, for the correction of which, time, experience and large expenditure of public money will be necessary.

Your committee therefore recommends:—

1. That in view of evidence given before this committee the government should, during the recess, consider the advisability of amending the Act, with a view to securing better broadcasting facilities throughout the Dominion.

Pausing there, can you tell me whether any amendments to the Act were made, having regard to that recommendation?—A. No. I do not think that was considered by the government. That was a matter for the government; it was a matter of capital expenditure and they did not feel disposed to; you will see, that would have involved a vote the following session to extend broadcasting facilities. I never heard of any amendment.

Q. That is my understanding of it, that although that recommendation was made by the committee in 1934, it was not followed by the government, and no legislation ensued carrying out the suggestions that the committee made for such legislation?—A. Quite so.

Q. I have looked hurriedly at the Act, and I found none. That paragraph No. 1 contains a second recommendation that, "in the opinion of your committee, radio broadcasting could best be conducted by a general manager." I do not find that that has been followed. What do you say?—A. Well, so far as that is concerned—

Q. Has it been followed, let me ask you first?—A. No.

Q. No, it has not.—A. I have been general manager, and Colonel Steele has been assistant general manager, with Mr. Maher. We carry on all branches of the work, in the absence of any business managers.

Q. I take it that you are commissioners, are you not? You are the chief commissioner or chairman of the commission?—A. Yes, chairman of the commission.

Q. May I take it that that was your position prior to this report being made?—A. Yes.

Q. And that the position of the commission as such, and your own position as chief commissioner, has not been altered since prior to this report. Is that so?—A. No, it had not been altered. As a matter of fact, that interpolation in Clause 1 came as a surprise to us. If you read the evidence taken in that parliamentary committee, of which I think Dr. Morand was chairman, you will find that no evidence at all was taken on the subject of any general manager.

The CHAIRMAN: Mr. Slaght, I think the Aird report recommends that.

WITNESS: Yes, the Aird report.

The CHAIRMAN: And, of course, the committee of 1934 had the Aird report before them.

WITNESS: No. We were guided, and we had to be guided by the report of the parliamentary committee of 1932, which provided for the appointment of a commission in its present form and gave us in rather complete detail our instructions as to how we were to carry on our business.

By Mr. Slaght:

Q. The committee of 1934 had a very protracted hearing, and amongst their recommendations is this: "In the opinion of your committee radio broadcasting could best be conducted by a general manager." You tell me now the set up of the commission was the same then as now?—A. Yes.

Q. That is, the same as when they made this?—A. Yes.

Q. They meant something by that, and had a reason for it, I assume?—A. Yes.

Q. I had not the privilege of being on the committee. Will you tell me whether you considered, after this report came in, carrying out their recommendation in that regard; and if not, why not?—A. Well, we could not appoint a general manager, Mr. Slaght. We had no powers of appointment. That was for the Government to decide. To get an efficient general manager at that time, or any time, they would probably have had to go and pay a larger salary than any of the commissioners was getting. That was a suggestion for the government. We were not in a position to appoint a general manager.

Q. Let me put it this way. I do not want to discuss with you now the wisdom or otherwise of such recommendation. The finding is there.—A. It might be a wise act, but we were quite helpless in the matter.

Q. Well, the finding was there. Will you tell me whether any steps were taken by the commission either by way of discussion with the government or recommendation that this recommendation of the committee should or should not be given effect to, either by legislation or regulation?—A. No. The government was very much in the position of Martha; it was busy with a multitude of other things, and we did not hear anything about it.

Q. Then the answer is no, is it?—A. No.

Q. You did not discuss it?—A. No.

[Mr. Hector Charlesworth.]

Q. You did not discuss with the government or pass on any recommendation to either adopt or reject that finding of the committee?—A. We did make a recommendation that, as a first step, we should be given the powers of a corporation.

Q. That would be in writing, would it?—A. Well, they speak of us in the Act as a corporation and say we can be sued.

Q. You said you did make a recommendation?—A. Yes.

Q. I asked you to give it to the members of the committee?—A. Yes.

Q. That was in writing?—A. Yes.

Q. Would you forward us that, if you have not it now?—A. Yes, I will try and find it. It was in our file. It was sent out at the same time as this recommendation. It was very brief.

Q. Well, brief or not, would you be good enough to let us have that?—A. Yes, I will endeavour to find it.

Q. My purpose, rightly or wrongly, is this: We want to clear up the recommendations and the work done by that committee?—A. Yes.

Q. And if they made recommendations that were not followed, we might ourselves endorse them?—A. Yes.

Q. You have told me you made this recommendation; does it touch this point of the general manager?—A. No, it does not touch that.

Q. We had better have it any way. That was a recommendation as a result of this report?—A. Yes.

Q. Will you tell me then, and we will leave it, why you feel, if you do—because you took no step to bring it into being—that there should not be a general manager?—A. I do not feel that there should not be a general manager. But as I say, if you will read through that report, there was no evidence taken on that. We had nothing before us.

Hon. Mr. HOWE: In order to clear the air, I might say this, the commission was recommending something to the government, and it intended to do so, I think. That is, the committee had made recommendations to the government, and it was intended by the committee that the government would pass legislation. The government did not do so, and so there was really no mandate to the radio commission.

Mr. SLAGHT: No, no, Mr. Howe. I am not suggesting a mandate. I thought if this gentleman could throw any light on that question, we might be able to take his answers and not trouble with it any more.

Hon. Mr. HOWE: Yes.

Mr. SLAGHT: I want his mind, or opinion, if he has one, as why a general manager should not be appointed; because if it was to be useful to you, you have the recommendation of the committee in favour of it, and it would not have been offensive for you to have brought to the attention of the proper department the carrying out of that recommendation if you thought it ought to be done. Can you very briefly tell us why you did not think it was necessary?—A. Well, it was not a case of being necessary or unnecessary. At that time it was very difficult for us to get any discussion with the government on our problems at all. There were a great many other things constantly arising at that time.

By Mr. Slaght:

Q. Not, I am sure, from the unimportance of your commission?—A. Well, I don't know what the attitude was. Let me give you an instance of where some action was taken.

Q. I do not want to interrupt you unfairly, but we have got so much to do; if you would just direct your mind to this. I am merely seeking for the moment

to find out whether you think a general manager desirable, and if not why you disagree with the opinion of the committee on that point. If there are reasons, give us the benefit of them?—A. That is a question which was never submitted to me either for approval or disapproval. To my mind the criticism at the time would have been this—we were having a hard time scratching through and carrying on our work in broadcasting, and to add to the forces a general manager whom I would have had to start in and teach—and, at a considerable salary—I would have considered it an uneconomical method.

Q. It just occurs to me to suggest this, many large corporations, I think most of them, have general managers; does anybody on your commission, or any employee, do the work that a general manager if appointed would be expected to do?—A. Our machine does that.

Q. I never heard of a machine being a general manager?—A. I mean by that, our office organization.

Q. Well then, are there several general managers, or several gentlemen who act as such?—A. No, because I have complete authority over all. If any question arises about which there is any dispute it comes to me for final settlement.

By Mr. Dupuis:

Q. You mean to say that you are acting as head of the commission and as general manager at the same time?—A. Well, yes. There are several phases to our work. Colonel Steele looks after certain things, and Colonel Landry, our secretary, does a great deal of the work in a business way. We have staffs of men, net-work experts, and men who arrange net-work schedules; and we have men who arrange programs throughout Canada. All these men conduct the business of their respective departments. They know their work, but if a question arises—which is not often—which they cannot dispose of, I make the decision as to what shall be done.

Q. Might I ask also, and if possible give me an answer by “yes” or “no”, whether or not you are in favour of having a general manager?—A. I cannot see the necessity—

Q. Can you say “yes” or “no”?—A. No. I cannot see the necessity for one.

MR. WOODSWORTH: Mr. Chairman, I think this is hardly a fair procedure. Some hon. MEMBERS: Hear, hear.

MR. WOODSWORTH: I think the minister was correct in his interpretation of this. They are recommendations by the committee to the government. It would seem, therefore, that Mr. Charlesworth would have no responsibility for initiating action; that is for the government. I do not think we ought to catechize Mr. Charlesworth as to why he did not initiate action. Then, on the second point, Mr. Slaght rather shifted his ground and asked Mr. Charlesworth for his opinion as to the appointment of a general manager.

MR. SLAGHT: That is all.

MR. WOODSWORTH: By that you put him in the position of reflecting on the committee.

THE CHAIRMAN: Of course, Mr. Woodsworth, I might interrupt there and say that Mr. Charlesworth himself reflected on the report of the committee by stating that they had made this recommendation without hearing any evidence.

MR. WOODSWORTH: That may be, but that is another matter.

MR. JOHNSON: Did Mr. Charlesworth have any authority to make recommendations? He might have had to make a recommendation whether he liked to, or whether he did not like to.

WITNESS: No.

[Mr. Hector Charlesworth.]

Mr. JOHNSTON: It seems to me that is beside the point, because whether he liked the idea of a manager or whether he did not like the idea of a manager he had no say in the matter. It seems to me that Mr. Woodsworth is quite right there.

Mr. SLAGHT: As far as I am concerned I did not intend to reflect on Mr. Charlesworth for not taking the initiative if he was not responsible, as explained by the minister; but I do think we might seek from him, since the committee considered it and reported on it, his views upon it. There is no reflection involved in his giving us his views.

Mr. JOHNSON: That is sort of putting him on the spot, though.

Mr. WOODSWORTH: I have no objection to your asking Mr. Charlesworth to give his opinion, but just in this connection I would like to know whether or not he had any authority to carry out the recommendations of the committee.

Mr. DUPUIS: We do not want to cast any reflections on the chairman of the Radio Commission. If I understand it correctly Mr. Charlesworth is here for the purpose of giving information to the committee. As I understand it Mr. Slaght, and other members of the committee, are making an effort to find out from Mr. Charlesworth what his opinion is with respect to two different items of the report. The report recommends the appointment of a general manager. We want to know from Mr. Charlesworth whether or not he thinks such an appointment advisable.

Mr. SLAGHT: He has given us his opinion, and he has given us his reason for it. Unless some other member wants to ask some question on the matter I shall go to the next question.

WITNESS: Let me amend that a little, please. With the rapid expansion which has taken place in radio broadcasting in this country it might be a desirable thing to have a general manager; but just at present it might not be desirable.

By Mr. Slaght:

Q. You think the time is not right yet?—A. Up to date we have managed to run along with a fair degree of efficiency. I think we are one of the most efficient branches of the public service, and people who have dealings with us admit that. So far we have not seen the necessity for a general manager. We have been able to get along without one.

By Mr. McIntosh:

Q. Under the circumstances prevailing at that time, however, you were not sympathetic to the idea?—A. No. It would not have made any difference if I had been. This was a matter for Mr. Duranleau to deal with, to consult with Mr. Bennett.

By Mr. Campbell:

Q. Your commission was not consulted at any time regarding those recommendations?—A. Well—

By Mr. Ryan:

Q. If there was any correspondence between the government and your commission on that point I think we ought to have it?—A. I can tell you there was no correspondence. I am very certain of that. I will have a look, but I am quite certain there was no correspondence between the government and the commission.

By the Chairman:

Q. I think, Mr. Charlesworth, that you made a statement a little while ago that you had made a recommendation to the government?—A. I did discuss a certain matter with the government. I will go into that now if you like.

Q. If you have it you can produce the correspondence, or bring it later?—

A. We got nowhere with it.

Q. I mean, you will bring that recommendation, if you have it?—A. It was not in written form, it was a discussion. We were handicapped to some extent in carrying on, because we could not do things without the government's support. Anything we did had to go before the Treasury Board. There is a point which I think is important, one which you will find in the recommendations with respect to the Act of 1932. It is a point which would be of interest here to-day, and that was the provision under which the Dominion government after consultation with the provincial governments was to appoint assistant commissioners to represent the several provinces. Well, the government for some reason or other got it into its head that I—they had forgotten the Act—that I was myself to appoint these assistant commissioners. I said that I would be very glad to do that, only the Act expressly stated that the Governor in Council in consultation with the provincial governments was to do it. At Mr. Bennett's request I did look into that matter. I was going through Canada that first year, and I had discussions with the provincial governments as to their recommendations. They had several very satisfactory individuals. Well then, before they got anywhere with it the political complexion of provincial governments started to change so rapidly that many of the recommendations sent in were invalid. The new government coming in would necessarily want to reject, or in certain cases make different recommendations. That was the only action which we took in the matter of those appointments; and there was nothing came of it. However, that was due to the rapid changes in the political complexion of the different governments.

By Mr. Slaght:

Q. Since you have been Chairman of the Commission have district, or provincial officials been appointed to any of the provinces?—A. No.

Q. They have never been appointed?—A. No. It was not a good system, not the way it was worded, anyway.

Q. Why?—A. It is perfectly absurd to have a commissioner for Prince Edward Island which produces nothing on the air at all, and just one commissioner from the province of Ontario.

Q. I have forgotten: Did the Act make it permissive or was it dictatorial?—A. I should say it was permissive.

Q. You think it is? I haven't looked at it.—A. It is a long time since I looked at the Act. That was the understanding; that in co-operation with the provincial governments, the federal government should appoint assistant commissioners.

Q. And that has not been done?—A. No. We were to have had them appointed. They were not to be paid, but we were to vote them an honorarium.

Q. So that British Columbia and Prince Edward Island are really run from Ottawa, rather than by an assistant provincial commissioner?—A. Yes. Well, we have our own superintendents in certain districts; we have the Maritimes, the West, and so on.

By Mr. Campbell:

Q. How many districts have you?—A. We have, let me see; there is part of Quebec, and part of Ontario; part of Western Ontario, part of the prairies and so on. It is arranged largely on the basis of telegraph lines.

By Mr. Slaght:

Q. Your report, which is in the hands of the Committee, will show each one of the regional districts, will it not?—A. Yes.

[Mr. Hector Charlesworth.]

Mr. SLAGHT: Perhaps we might have that marked as an exhibit. Do you wish to have exhibits entered and marked, Mr. Chairman?

The CHAIRMAN: Yes, if you like.

Mr. SLAGHT: Perhaps this report of 1935 might be marked as exhibit one.

Mr. CAMPBELL: Are we really getting anywhere? I would suggest that Mr. Slaght be allowed to carry on.

Mr. SLAGHT: Then, if you approve Mr. Chairman, I will pass to the item about the collection of radio licence fees:—

That the collection of the fees for radio licences should be simplified and that one licence fee should cover only one receiving set.

By Mr. Slaght:

Q. Now, I take it, as you have pointed out with respect to the general manager, this would be a matter for the government and not for your commission?—A. That is purely a matter relating to the Department of Marine.

Q. And the department fixes the fees, and collects the fees? As I understand it our inquiry does not affect that recommendation. You didn't make any change? Is that so?—A. I don't think so. I have never heard of any change.

Q. Well, you would know of it, surely. Then, have you any view to express on that recommendation; whether it was wise to ignore it or not?—A. No. I am not going—

Q. You are not going to express a view?—A. It has nothing to do with us.

The CHAIRMAN: Mr. Slaght, do you wish to have that report of the commission filed?

Mr. SLAGHT: Yes, I think we better have it filed formally as an exhibit.

Mr. DUPUIS: I am wondering if any of the members have received letters from rural districts, particularly from those listeners-in who operate only a crystal set? These letters ask that in such cases the owners be exempt from the \$2 fee, or whatever the fee is; especially those farmers who have only small crystal sets. I think that is a matter which should come before the committee for consideration.

Mr. SLAGHT: Perhaps that subject will come up better at a later stage, when we are discussing licence fees, if we do.

By Mr. Slaght:

Q. As I understand it, Mr. Charlesworth,—see if I am correct—this would be a very controversial matter, because, if a man had a licence for a radio and had two sets in his home he would be charged two fees?—A. Yes.

Q. He might have one upstairs and one down, and he would have to pay two fees. I feel sure if that were so it would create a great deal of dissatisfaction.

The CHAIRMAN: May I interject here? I think what Mr. Slaght is trying to arrive at is, what part of the recommendations of this committee of 1934 was put into effect.

Mr. SLAGHT: That is it.

The CHAIRMAN: I think the question of radio licences should come later on.

Mr. SLAGHT: Yes, sir.

The CHAIRMAN: This committee of 1934 made a lot of recommendations, and Mr. Slaght is trying to find out what part, if any, of those recommendations have been put into effect since that time.

Mr. CAMPBELL: That comes under item 10 on our agenda.

Mr. HANSON: The subject of radio licences in Canada is one which needs special consideration, at least in so far as our portion of the country is concerned. I would point out that most of our people use their sets when fall comes, and I think that when an inspector or anyone goes around to collect fees they should

do so around that time. I think that the radio year should be changed to date from September, or some such time in the year, when people start to use their sets. I make that as a definite suggestion, that the radio year should be changed from April to September.

The CHAIRMAN: I might tell Mr. Hanson that that is one of the questions on our agenda and it will be reached for discussion later.

Mr. SLAGHT: It will come up under the discussion of licence fees.

Mr. HANSON: Might I suggest that at the same time consideration should be given to the improvement of conditions and the remedying of difficulties which exist in our district at the present time. I think it would be a good idea if the commission arranged to see that the people in the district know when an inspector is to make a visit so that they may arrange to take up with him any problems they may have, and at the same time get authoritative information from him.

By Mr. Slaght:

Q. We will take item 3, then:—

That the provision of the Act dealing with advertising should be more liberally interpreted.

Now, in your preamble this morning you made mention of this matter. At the time this recommendation was made there was a provision in the Act, as I read it, that only 5 per cent of the time on the air should be devoted to advertising. Is that correct?—A. Yes.

Q. That meant that out of one hour, or 60 minutes, only 3 minutes could be devoted to advertising?—A. Yes.

Q. Now, this recommendation suggests that it should be more liberally interpreted. Will you tell us what, if anything, was done? I suppose the interpretation of that recommendation would be for your commission to consider?—A. You will see that in the original Act there is a little rider which says that the commission shall have some latitude in the matter.

Q. Yes?—A. I was not anxious at the outset to exercise much latitude. I was trying to clean up the advertising as far as possible. The conditions in Canada had become very serious, but with respect to certain classes of advertising which we thought were not objectionable to the public we have shown a little latitude. If we find an advertiser-sponsor grossly abusing the latitude accorded to his half-hour or hour we stop it. We apply our rules to the small Canadian stations, and we also apply them to the American advertisers using our network through such outlets as Toronto and Montreal.

Q. This recommendation strengthened your hand a bit then in using your discretion?—A. Yes.

Q. A little latitude, is that it?—A. Yes.

Q. Then, do I understand you that you did use that discretion, and in a sense carry out that recommendation?—A. We used our discretion. I do not think there was any intention on the part of the committee of 1934 to let back all the abuses that existed in Canada for a time, and which are very widespread in the United States at the present time.

Q. Then, Mr. Chairman, if you approve, we have on the agenda the question of advertising. It is a big question. I wonder if there is some other general question which we might better deal with just now. There is No. 4:

That a greater use of electrical transcriptions be permitted.

A. That is rather cryptic as it stands? I can explain to you what that means.

Q. I wish you would?—A. There was an old regulation in the Department of Marine which the commission accepted when it took over the work. It was put in there in Mr. Cardin's time. That regulation provided for the use of records by large stations only during the day time, or up to 7.30 p.m., in the

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evening, and that for the evening there should be "live" programs. We have broadened the thing to the extent that in small towns or cities where it was very difficult for them to get a "live" program we allowed them a little more latitude, an extra half hour or an extra hour, in which they might use records. That is, we did not comply with that suggestion.

Q. Were your regulations amended in any respect as a result of that suggestion?—A. Yes, we cancelled one regulation. You see, regulations governing radio are in the form of Minutes to Council.

Q. I have not read that through, perhaps you could just indicate the regulation which was amended, and the previous regulation?—A. Those regulations are not in any printed form. From time to time we sent out in mimeographed form instructions to our own stations, and to every station we sent rules as to advertising.

Q. Are the regulations before the committee?—A. But we can file with you, if you want us to, a complete file of all the regulations.

Q. Your regulations are in printed form?—A. These regulations deal with general questions.

Q. It occurs to me, Mr. Chairman, that we should have regulations filed at an early stage?—A. These are regulations passed by order in council.

Q. —passed by order in council and otherwise. Have you many regulations as distinct from regulations passed by council?—A. Yes.

Q. You have both types? Are they in pamphlet form?—A. We have a file of mimeographed regulations covering a great variety of subjects.

Q. Will you have your secretary give us one of the files?—A. Yes.

Q. Possibly you could have him give us one for each member?—A. I may not be making myself clear, due to the short notice; but we have a regulation or order against advertising the sale of mining prospectuses.

Q. I notice that?—A. In co-operation with my friend John Godfrey.

Q. You had that in 1934?—A. No, last year.

Q. 1935?—A. Last year. I added that. There were certain complaints in connection with the sale of prospectuses from the United States.

Q. Then I invite you to furnish as exhibit 2, a complete copy of the regulations passed by order in council and passed by yourself. As a matter of courtesy I should like your secretary to supply one to each of the members?—A. Yes.

Q. As soon as possible. That will facilitate the study of the regulations by the individual members?—A. They cover a great many things in regard to religious broadcasts and questions that arise.

Q. Can you indicate now what amendments to the regulations you brought in as a result of this recommendation?—A. We brought in two amendments allowing stations in smaller places where it was difficult to get line programs to use records for a longer time during the night. One of the things that was insisted on in the original investigation was that if stations were permitted to run all day long with records there would be no opportunity for Canadian singers or performers at all.

Q. Quite so. Those records are nearly all manufactured in the United States?—A. We carried out the regulations adopted by the Marine Department almost in the same words. Then when they requested this, we went into the question more fully, and found it would work no injustice to anybody if we allowed a station such as Chilliwack or Lethbridge to use records for a longer period of time.

Q. Am I correctly informed that practically all the records are manufactured in the United States or outside of Canada?—A. Well I think so—no, they manufacture records in Canada. I was talking to one of the representatives of the Canadian manufacturers, and he said that business was not good in Canada. Most of them come from the United States.

Q. There would be two sides to the question, I suppose?—A. England—

Q. The Canadian merchants on the one hand— —A. England will not ship into Canada for some reason or other. They have got the protection there that—the artists as well as authors have protection there. They are all involved in these matters.

Q. We had better not get into that.

By Mr. Campbell:

Q. Can you give us a copy of your regulations regarding changes?—

A. With reference to transcription?

Q. Yes.—A. We classify records under the heading of transcription.

Q. Can you give us a copy of your recommendations regarding this change?

—A. Yes, with instructions sent out to the stations as to what they were permitted to do.

Q. Would that be included in the regulations we just asked for?—A. Yes, it possibly would be. I do not know just whether it was filed or not. The Commission passed it.

By Mr. Slaght:

Q. You can indicate at a later stage the particular regulation which amended the previous one.—A. Yes.

By Hon. Mr. Mackenzie:

Q. On looking through the proceedings of 1934 I find that on at least ten pages the subject of a general manager was discussed. You are quite aware that the whole question was thoroughly discussed by the 1934 committee?—

A. Yes. If I remember rightly they were against—

Q. I gathered from you, perhaps erroneously, that no evidence whatever was given with reference to the establishment of a general manager before 1934, but I find in the proceedings evidence to show that that is not correct.—A. I believe Tom Moore—

Q. And three others.—A. —did mention that, but they never gave any reason why they were in favour of it.

By Mr. McIntosh:

Q. Do you know whether or not the records are of an empire nature?—

A. No; the question of empire records did not come up.

By Mr. Johnston:

Q. In regard to the records, I take it it is absolutely necessary to put on a program consisting of records because you have not sufficient original programs of a quality that would permit you to continue your broadcast. Is not that so? —A. Well you see, we feed a large number of programs to all stations in Canada, and we keep them going pretty well. We have them fill in, in between, in smaller places with records or electrical transcriptions. If it is a large place like Winnipeg we expect the station to rely on our own sustaining programs, which are line programs, or our own local programs, which are put on by advertisers. It has been our desire to make things cheap for the advertiser. He can go and buy an electrical transcription, and instead of employing talent, put on an advertising program by means of electrical transcription.

Mr. MASSEY: If I may say so, electrical transcriptions as such, are used in a number of ways. It has been suggested that electrical transcriptions came from the States. I think a statement of that kind implies that electrical transcriptions are simply records that you purchase in a shop. Electrical transcrip-

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tions cover a variety of advertising matter. For example, a man puts two programs over the eastern network. He does not wish to spend money on two programs, because there are line charges, which are very expensive. What happens is this: the program is taken off the line and a transcription is made of the program, and that program is reproduced in the western station, or even in the maritimes. I have been in the advertising business, and we have had occasions arise on which records were made and sent out in that way. A certain percentage of transcriptions are of this type: an advertiser will can his program, which is produced in the city, and send his transcription up here. That has been followed in the United Kingdom. An advertiser in the United Kingdom who wishes to get on the air and cannot get on through the B.B.C. makes a transcription of his program and sends it over to the continent, and it goes on the air through a continental station by means of electrical transcription. The words "electrical transcription" are very broad words, and cover many things.

WITNESS: It is a very fine type of record. The N.B.C. is making them up very nicely, a very beautiful thing, very delicate in every way.

By Mr. Slaght:

Q. Do you agree with Mr. Massey's explanation of electrical transcriptions, as given to the committee?—A. Mr. Massey would know more about it than I.

Mr. MASSEY: I speak from experience.

By Mr. Slaght:

Q. That will be helpful. Perhaps Mr. Massey's explanation agrees with your view?—A. It agrees with what my information is.

Mr. MASSEY: The reason I introduced it is this: many splendid programs are put out by means of electrical transcription, and I think the committee should consider it very carefully before replacing it. Take a program that was put on in the east, but not available to the west. It would be proper policy to have that program carefully recorded in the east by means of transcription and sent to the west, and I think it would be perfectly permissible to reproduce it by means of these records. It would be a perfectly good program, even though it might be a transcription.

WITNESS: That matter was before the committee in 1934. The wire companies were here and spent an entire morning pointing out that if it were allowed to go uncontrolled, the use of electrical transcription would destroy their investment and they had invested several million dollars in organizing radio transmission. You cannot send broadcasts out from an ordinary rural telephone or telegraph office. You will find in the report of the evidence taken in 1934 a very extended report made by the representatives of the Canadian National Telegraphs and the C.P.R. communications, and if I remember rightly, the Bell Telephone company—I am not sure about that.

By Mr. Slaght:

Q. That is what you mean by the three companies who have installed their equipment?—A. Yes.

Q. This recommendation: a greater use of electrical transcription would be received adversely by them because it would affect their revenue.—A. It was adversely received; but we permitted a greater use to allow us to show some benevolence to the smaller stations that could not get line programs.

Q. We are coming to your amended recommendations later.

Mr. MASSEY: Electrical transcriptions are also used for this reason, and I refer now to the larger cities or stations where a program is arranged. On this program is to appear a great artist, and for some reason or another he may

not appear. In this case there is a stand-by artist ready to take his place. For example, that happened the first time that Heifetz came on the air. He was very nervous and not at all well and there was a stand-by musician waiting in another station to go on the air in case the artist did not. In most of the large stations there are stand-by artists. The smaller stations cannot afford to have a stand-by artist; they cannot afford to pay two or three artists for doing nothing. Then again it may happen that through some unforeseen circumstance the artist is prevented from appearing at the time, in which case somebody must fill in. It sometimes happens that a station finds itself in the position of having to play a record for fifteen minutes in order to maintain its position on the air, and all these things should be taken into consideration. I think the chairman of the commission has that in mind in allowing latitude to the stations between the hours of 7.30 and 11.

WITNESS: Yes, we allow latitude to the stations.

By Mr. Slaght:

Q. We now come to recommendation No. 5: "That pending nationalization of all stations, greater cooperation should be established between privately owned stations and the Commission." Did you carry that out or can you tell us about that recommendation?—A. I endeavoured from the very first week of my appointment to establish friendly relations with privately owned stations in Canada, to oblige them in every possible way. So far as I know—I do not know what they say behind my back—so far as they tell me, our relations are perfectly good.

Q. I point out the relations up to the time of this report. Now, this report recommends greater cooperation be established. Was that done?—A. We were going on with a policy looking towards a greater cooperation, and we have cooperation constantly with the privately owned station. I do not know just what they mean, because I never heard of any complaints from a privately owned station except one here in Ottawa, which was interfering with everybody all over the map in Ottawa. We made him take his transmitter up the river. Tha was the only privately owned station. They claimed we did not cooperate in one or two cases.

Q. Very well. You do not know why they made that recommendation?—A. No.

Q. Then we come to No. 6, which is as follows:

That chapter 35 of the Statutes of Canada for 1933 which expired on the 3rd of April, 1934, be renewed until the 31st day of March, 1935.

Now, I have chapter 35 here. It is not necessary for us to go into it in any detail. Tell us in what way that was done?—A. Yes.

Mr. CAMPBELL: What is the substance of it?

Mr. SLAGHT: It deals with the payment of officers and employees; deals with the powers of the commission.

Hon. Mr. HOWE: Certain officers from the Civil Service Commission.

Mr. SLAGHT: I think I can perhaps summarize under two headings for you really what they were aiming at there.

By Mr. Slaght:

Q. Would it be this, that under the original set-up under the Act, you employed your own staff except clerical, or was that the amendment?—A. The amendment was intended to put that into effect.

Q. The amendment was intended to put that into effect?—A. Yes.

Q. Under the original Act you were hampered in the employment of your staff; it had to go through the Civil Service Commission?—A. No consideration

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was given to that point in drafting the original Act. Then when the commission started to function there was an impasse, because the Civil Service Commission system would not permit of our getting busy with a broadcasting set-up.

Q. You would have to employ artists on three hours' notice; would that be it?—A. Yes, we would have to employ artists.

Q. You could not run them through the Civil Service Commission?—A. You could not advertise throughout Canada for a pianist. That question was discussed. The Chairman of the Civil Service Commission, Mr. Bland, was before the committee in 1934, and he explained that so far as our broadcasting staff was concerned, the Civil Service Commission did not want any control over it and realized it was impossible.

Q. Let me ask you this: In sympathy with this recommendation No. 6, is the present position as follows, that the clerical staff is subject to the Civil Service Commission, as other departments?—A. Yes.

Q. And except for that, you employ your own staff outside the Civil Service?—A. Yes.

Q. That is the present position?—A. Yes; technicians, program artists and so forth.

Q. Do you regard that as a satisfactory arrangement?—A. Yes, it worked fairly well.

Q. Then there is a second point involved in this study. As I understand it, under the earlier statute you had to have the authority of parliament in order to build stations, and this amending act enabled the administration of the day by order in council to authorize your commission to build and acquire stations. Is that a fact?—A. Yes. It was mainly to cover leases.

MR. SLAGHT: I think, gentlemen, you will find probably those two points cover it.

WITNESS: That was an Act drafted by Mr. Bennett.

By Mr. Slaght:

Q. By whom?—A. By Mr. Bennett himself.

Q. And it has been renewed from time to time?—A. Every year.

Q. So it is the present law?—A. It is the operative feature of our constitution.

HON. MR. HOWE: It is the law today, but not tomorrow, because it expires today. When you say it is the present law you are correct.

By Mr. Slaght:

Q. Your recommendation to the committee would be that that should be carried on as heretofore?—A. Yes, or some other system that would be equally effective to enable us to run as a going concern. You see, we are a going concern. I do not know whether that is absolutely essential, but certainly it is essential that we should have freedom of action in connection with our programs, which is the most important work we do.

Q. Then I will leave the report of 1934.

By Mr. Dupuis:

Q. With the permission of the chairman, I should like to ask a question before you leave that. Does your staff extend all over Canada or is it limited to your office in Canada?—A. It is all over Canada. We have seven stations in Canada.

By Mr. Howard:

Q. How many?—A. We have seven stations.

MR. DUPUIS: Could you supply the committee with the number of employees on the staff?

The CHAIRMAN: I might state that we have that here. There will be copies made.

By Mr. Dupuis:

Q. Does that give the details as to salaries and dates of appointments?—
A. Yes, it does.

The CHAIRMAN: Mr. Charlesworth has made the request that the salaries of these employees should not be made public, and I think he is right there.

Hon. Mr. HOWE: That they not be put in the press.

The CHAIRMAN: Yes, not put in the press.

Mr. JOHNSTON: That information should be made available to the committee.

Hon. Mr. CAHAN: I should like to make one remark. Insofar as these recommendations of a parliamentary committee referred to prospective or recommended legislation, or recommending action which must be taken by the governor in council, that is purely a responsibility of the government.

The WITNESS: As I understand it, yes.

Hon. Mr. CAHAN: The government initiates and takes the responsibility of initiating legislation recommended by parliamentary committees; and if the government, as a government, do not deem it expedient at the time to recommend such legislation, it is a government responsibility and not the responsibility of the commission. Secondly, so far as action that must be taken by order in council is concerned, and with respect to some of these recommendations, they can only be carried into effect by order in council of His Excellency the Governor General in Council,—that is a governmental responsibility, and is not a responsibility of the chairman of the commission or his associate commissioners.

The WITNESS: I think that is a fair statement of the position, Mr. Cahan.

Hon. Mr. HOWE: Just as a resume following up that line of thought, it simply means this, that in spite of the report that was attached herewith of the radio committee of 1934, the government did not take any action whatsoever on the recommendations of the radio committee.

Hon. Mr. CAHAN: Well, it does amount to this, that any action taken involves serious financial outlay; and from time to time the question of increasing governmental appropriations for this purpose was duly considered; and in view of the financial position of the country, the recommendations were not carried into effect because the time was not deemed appropriate in view of the resources and revenues of the country.

The CHAIRMAN: I think the committee is well seized of that fact, Mr. Cahan. In 1934 there was a report made to the House of Commons by a committee which made quite an extensive inquiry into the radio situation. I think all the committee is trying to do, and all that Mr. Slaght is trying to do now, is to get Mr. Charlesworth's opinion as to these recommendations, based on the experience that he has acquired as chairman of the Radio Commission.

Hon. Mr. CAHAN: That is perfectly proper, to ascertain from the Chairman or chief commissioner as to what his general views are. But the committee should not place Mr. Charlesworth, who is a government officer in a certain sense, in the position of criticizing government action and the reasons for governmental policy, with respect to which he probably has not accurate information.

Mr. SLAGHT: I think we would all be agreed on Mr. Cahan's view.

Some Hon. MEMBERS: Yes.

Hon. Mr. CARDIN: At the same time, I think the committee should be free to ask the advice of Mr. Charlesworth, because he is a man of experience. We are entitled to have his advice.

[Mr. Hector Charlesworth.]

Mr. SLAGHT: Quite so.

By Mr. Martin:

Q. I should like to ask a question, a purely local one, arising out of one of your last answers, Mr. Charlesworth. You said that the commission had the power to make leases based on orders in council. Is that right?—A. Yes.

Q. It is purely a local question, but I think it is convenient for me to ask it now. With respect to the lease by the commission of space in Windsor with regard to the radio station there, was that lease submitted to the governor in council?—A. No. Just on matters of securing additional floor space or larger floor space and accommodation, the government does not expect us to go to them.

Q. That was a new building altogether?—A. The government does not expect us to go to them on a matter of that kind. The matter is reported usually to the minister, because the payments have to come under the control of the Treasury Board. But a matter of acquiring space or something of that sort is not submitted to them. But, for instance, when we acquired three stations from the Canadian National Railways—that was at Ottawa, Vancouver and Moncton—the government had to pass on that. Then, when we leased station CKCW in Toronto, the government had to pass on that. But it does not expect us to come to it for everything in the way of putting in air-conditioning or matters of that sort, or acquiring extra floor space.

Q. That was taken over completely?—A. The matter was referred, and a report made to the minister, but I do not think it goes up to the government.

Mr. BERTRAND: Could we get from the members of the Commission a resumé of the complaints that have been made by the general public against the present radio commission. I do not mean complaints as to the administration. I mean, if we had a resumé of the complaints made by the public against the commission, either on account of the program or anything else, we would be in a position to take cognizance of them. We would know where we were at and what we could do.

Mr. HOWARD: There would be some volume.

WITNESS: We are in the happy position that we have not received more than half a dozen complaints against our work as broadcasters during the past year. Any complaints that come to us are lack of coverage, where they do not hear our programs properly. Those complaints are usually accompanied by a statement of their admiration for our Canadian programs, and that is why they desire to hear them. The letters are kept and filed. Of course, a program that suits one man does not suit another person. As the Hon. Charles Stewart said the other day, you have got a wildcat by the tail, because the fellow that likes old music does not like jazz, and the fellow that likes jazz does not like old music. However, we try to reconcile all interests. The only organized attack on the commission in connection with its programs, sir, occurred early in 1933, and in fact throughout the summer of 1933, when we were attacked for carrying French programs on the air. A good many of those people had the idea that you could wall up the air within the province of Quebec, and that there was no other program in Canada. In fact, a celebrated radio authority, Mr. Ashcroft, got out a manifesto that the use of French on the air outside of the province of Quebec was an affront to every British speaking home. But that was the only really organized campaign against the commission in connection with its programs that I have encountered since I became Commissioner. For instance, we have a "Young Tim" program, a thing everybody loves, or at least a great many people love. Other people do not like it. We are up against that all the time. But we got, as a matter of fact, very few complaints, except for this organized campaign that I spoke of. The complaints against the radio commission would not number more than about one-tenth of one per cent of the listening public of Canada.

By Mr. Dupuis:

Q. You mean outside of the complaints against the French programs?—A. Outside of complaints of that kind, which were organized complaints.

By Mr. Bertrand:

Q. I suppose you do not get complaints against the use of Italians or Germans in opera?—A. No. That was discussed at some length.

Q. I would like to have all the complaints about that. They could be summarized?—A. I don't know just where they would be. I will tell you, those complaints were kept; those that were sent to me were sent to Mr. Bennett in the form of a file, and I believe they were boxed up and they are somewhere in the basement of this building.

MR. WOODSWORTH: Why resurrect them?

MR. SLAGHT: I should like to make a suggestion, which might satisfy Mr. Bertrand's view, and might or might not be acceptable to the chairman. On that point I was going to invite him to not go back of June 28, 1934, because I find this evidence is chuck full of complaints set out in great detail and discussed by that former committee, and I fancy we do not want to resurrect them.

Hon. Mr. HOWE: No.

MR. SLAGHT: My suggestion to the witness was to be that he might have his clerical staff prepare for us a schedule of the complaints made to his commission since June 28, 1934, with the name of the complainant, the date of the document of complaint, another column with the date of the commission's reply, and another column, just in a word, with the treatment accorded that complaint. You might say we refused or accepted it. If you get us a schedule of those, I think we could readily pick them out. It would show the character of the complaints, the complaints as to the general policy that you are adopting. Then we might want to look at that. Would that be too much trouble?

WITNESS: It would be a great deal of trouble but it could be done. Of course, my reply is usually to say that we have received their complaint and contents noted.

MR. SLAGHT: Reply is not a good heading. Just let me put it this way: "Action by the commission." Make the heading "Action by the Commission"; you either did or did not.

WITNESS: No, we do not take action. Suppose we have a program on the air that is, in our opinion, pretty well organized and pretty good.

The CHAIRMAN: That is a big order, Mr. Slaght.

WITNESS: We do not take action to cut that off because three or four fellows write and tell us they do not like it. What we do, we judge ourselves as to whether this thing is a washout or whether it is gradually washing out, and presently it drops off the air. Nobody misses it, and there is something else substituted for it. That is the line we pursue. Of course, you cannot get any program that satisfies everybody. We had the most beautiful program that is heard in America, and one which we put across Canada by arrangement with the Columbia Broadcasting Company, and the Philharmonic orchestra. That is the finest program in the world. No other country has one like it. But I am quite satisfied that there are plenty of listeners who would prefer a jazz program. But my experience as a musical critic is that if you give the proper dilution of good music, as we are trying to do every night, it creates an appetite for good music. I have seen that growing in Canada for orchestras in the past three and a half years. Just because some persons wrote and said they did not like a certain program because it had French in it or Italian in it, and they suspected the morals of the person who wrote the song that was in it—that is not an invention. I got a letter the other day from a dentist in the west. He

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could spill his English pretty well and he was letting himself go strong because we had an English song, "I learned to drink in Costa Rica," on the air. He said we were trying to turn his home into a brothel. You see, that is the nature of a good many of the complaints that we receive.

MR. SLAGHT: Then Mr. Chairman, perhaps it would be in the judgment of the committee as to whether we should press Mr. Charlesworth to prepare or have his clerical staff prepare a schedule of complaints in that bald way or not.

MR. WOODSWORTH: Could we not just have a summary of the type of complaint?

WITNESS: Yes.

MR. SLAGHT: I think we ought to know something about what the public are saying to the commission directly. I think Mr. Woodsworth's suggestion would be good.

By Mr. Slaght:

Q. Could you work that out for us?—A. Yes, the nature of the complaint. For the past two years, is it?

Q. Just since June 28, 1934, I suppose. That is the date of this last report. I suggest that we do not bother back of that, because they had endless complaints.—A. Do you want the fan mail, too, on that?

MR. WOODSWORTH: Oh, no.

WITNESS: Because in nearly all these programs that they objected to, there are dozens and more who like them.

HON. MR. HOWE: I think perhaps the committee have in mind the complaints outside of the programs. For instance, we had a great many complaints on the allocation of wavelengths.

WITNESS: That is a different matter.

HON. MR. HOWE: On the power of stations; I think that is the nature of the thing the committee had in mind.

MR. BERTRAND: That is what I had in mind.

MR. SLAGHT: I think you were discussing programs.

MR. BERTRAND: I think we should know what the public is complaining of, because we have a good many charges.

By Mr. Campbell:

Q. Do all the complaints sent to the local stations come to you here in Ottawa?—A. They do not come to me, because—

Q. I mean, are they sent on here to Ottawa?—A. We hear of them. Nine-tenths of the letters that come to a station are of a very flattering character. When a good-looking fellow sings over the air a lot of women will sit down and write him a letter.

THE CHAIRMAN: That looks like one way of getting letters.

WITNESS: The number of complaints is comparatively small.

MR. SLAGHT: It will be better when we get television.

WITNESS: If a complaint comes in to a commissioner it is usually in respect to the matter of a program which the local manager has forwarded here. Otherwise, if it is just, say, "I don't like your damn rubbish," "I hate so-and-so anyway"—

By Mr. Bertrand:

Q. I mean, what is the public complaining of, in a general way; with respect to the advertising, or to the program, but not the silly things?—A. Complaints

are mainly in connection with coverage, and that is entirely outside of our control. You see, we have a limited number of frequencies allocated to us under the international agreement. We would have to have a great many more if we were to comply with the demand. We get many complaints because people want a new frequency which is already allocated to another country, and that is just something that I cannot do anything about, because they are not available to us.

By Mr. Woodsworth:

Q. A little while ago you mentioned the matter of coverage. Is it possible to supply greater coverage without a capital expenditure?—A. I do not think so. I do not think we can supply much greater coverage without capital expenditure. We can do something by a little piece work here and a little piece work there during the year, as we have been doing; but to go ahead and solve the problem of coverage of Canada within one year's vote and continue broadcasting at the same time, is something which cannot be done.

Mr. SLAGHT: Could we leave this?

The CHAIRMAN: Mr. MacKenzie (Neepawa) wants to ask a question.

Mr. MACKENZIE (Neepawa): Might I ask, Mr. Chairman, if the complaints that come to the Department of Marine do not get to the commission?

Hon. Mr. HOWE: Yes, I think they all get to the commission; but you will have some idea of the general nature of these complaints when we get our correspondence on this point in shape so that we can file it with you.

Mr. MASSEY: May I suggest that in addition to these there ought to be placed with the committee comments that are laudatory.

The CHAIRMAN: I think Mr. Massey, that the committee really is not authorized by the reference here to investigate all phases of the report. I think our special reference is to investigate conditions and try to improve the system.

Mr. EDWARDS: How can we arrive at that point unless we follow the plan suggested by Mr. Massey? If you are going to have only critical comments filed, and if we do not have commendations as well, we will have no balance to our finding.

Mr. MASSEY: You see, Mr. Chairman, the situation is this: I speak of experience of over a million radio letters in the last few years. You see, public opinion, called such, is not public opinion by any manner of means, it is individual opinion. It may be inspired by the man himself and the experience he has with his own radio set. If you receive a complaint that the reception in a certain area is not entirely what it should be, that there is interference from such and such a station, you may actually find that the station complained of may be as much as ten points away, and that this trouble is on the man's own set. No radio set owned in a home is ever at fault. It is always the station broadcasting. I receive scores of complaints that whereas we used to be able to hear your program—or whatever it may be—we can no longer hear your program. I followed up a few of these complaints as a matter of curiosity. Probably the set is five years old, with the same tubes; the tubes are worn out. You can get into all sorts of difficulties by following up individual complaints; and, as the chairman well knows, a radio letter as such does not constitute public opinion. And then, if you are going to consider 20 letters you have to bear in mind that you really have hundreds of thousands of listeners and out of all of them you have but 20 letters. What sort of a percentage is that? It is so small as not to deserve consideration. On the other hand, if you receive a great many favourable comments saying that your programs are received in a particular district and received well, why then you feel your program is received well. Why, that makes all the difference; because perhaps it is a local condition. Those of us who have radios in our cars know something about this. They know that as

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one is going along the highway one gets perfect reception in a certain area, and then for a certain distance there will be no reception at all. A program which is coming in well may disappear entirely, and that is due to purely local conditions. I know of a case in my city where there are people who say they have never heard WEAf at all while people living five or six doors away say, why we hear it every night. Much of this difficulty is due to certain peculiar local conditions. I think it would be very dangerous for us to consider complaints by individuals. I am sure, as the minister in his comments has suggested, there may be a general picture which I think should be set out, and justly so. There are certain broad complaints that do have a definite bearing. On the other hand, I think it is only fair to the present commissioners and the present commission to consider as against that those comments which are in their favour. We are not here merely to destroy, we are not here saying that this commission is entirely at fault; I think we are here really to find out how Canadian broadcasting can be improved. Therefore, it is just as important for us to know what is right with the commission as it is for us to know what is wrong with the commission, if anything. I earnestly urge that if any memorandum on the subject is to be presented to the committee it should be one giving both sides of the question.

The CHAIRMAN: You are referring to programs, of course.

Mr. MASSEY: I am referring to the whole set up.

Hon. Mr. HOWE: I think a distinction should be drawn between trivial complaints and important complaints.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. HOWE: There are very important complaints made; for instance, we are to have the Canadian Press here next week. They have a very definite complaint, that more time should be given for the dissemination of Canadian news. Then, the telephone companies have a complaint. There are various complaints of that kind. There are certain organized bodies of opinion which have complaints, and I think that is the sort of complaint we would like to have before us. That is the sort of complaint that Mr. Charlesworth would pay attention to in reporting here, and that is what I think our department can do; we can summarize the complaints of the organized bodies of opinion that are entitled to be heard.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. HOWE: I think when we have that it will give us some material to work on.

Mr. SLAGHT: Let me add, if it meets the approval of the committee, Mr. Massey points out quite fairly, as against these complaints we have had much in addition to what is complained of in a general way.

Mr. MASSEY: What the minister has just said is what I have in mind.

The CHAIRMAN: Is it understood then, Mr. Slaght, that the complaints which come from organized bodies, together with favourable comments, should be placed before us?

Mr. SLAGHT: That is it, yes.

By Mr. Hanson:

Q. I would like to ask Mr. Charlesworth a question as to what is being done to improve the situation in Vancouver. There has been nothing new there since 1934, and I wonder if that condition is to go on indefinitely?—A. We have already given consideration to that matter. We are providing a new transmitter for Vancouver. We have prepared plans and specifications, we have an option on a site, and we are ready to go ahead at once, as soon as supply is voted to

us, to give Vancouver a first class station. Everything is ready just as soon as we get our money.

Q. You have taken care of the situation there?—A. Yes. It will be a very fine station, as far as I can judge, both from the standpoint of technique and also the working out of the whole proposition.

By Mr. Ryan:

Q. I would like to ask a question as to whether or not you have any complaints with respect to the employment of talent; that is to say, there are complaints that certain sections of Canada are being discriminated against with respect to the employment of talent?—A. We do get complaints that somebody was not used on the air. We have a great many complaints of that kind. You see, before an entertainer goes on the air he is given an audition, and it often happens that the audition did not turn out quite as well as perhaps that ambitious person expected. So, we get complaints denouncing us from musical people. If they are not used they think there is a conspiracy against them. We get a lot of that sort of thing.

The CHAIRMAN: May I offer a suggestion to the committee? Probably these questions should be asked Mr. Charlesworth at our next sitting. That is, that he might place before this committee documents which will supply the information we want.

Mr. SLAGHT: Mr. Chairman, might I have the privilege of indicating to Mr. Charlesworth some of the documents that I think would give us useful information?

WITNESS: I was going to ask you what it was you wanted. May I see that paper you have?

Mr. SLAGHT: Mr. Campbell is making a memorandum of those that you have already been good enough to favour us with.

By Mr. Slaght:

Q. Is there not a contract between your Commission and what you call the line wire companies?—A. Yes.

Q. A contract involving all three, or a separate contract?—A. Our contract is with the two railways.

Q. Would you be kind enough at the next sitting to make a copy of that available to the committee? I am now referring to your contract with the C.N.R. and the C.P.R., a contract which involves a lot of money, I take it?—A. Yes.

Q. For the use of the line. Have you a contract with the Bell Telephone Company?—A. No. Any use of the Bell Telephone is made through the—

Q. Through the others?—A. Through the two railway companies.

Q. Do you not pay the Bell Telephone Company for work at all?—A. I do not think so, no.

Q. Will you look into that and see if you have a contract or an agreement or anything that sets out the basis on which you use the Bell Telephone line?—A. Yes. We use the Bell Telephone—the railway companies undertake to supply us with a certain coverage, and they pass along to the telephone companies—

Q. There is another point I should like information on. I think you should make a note of this, as I am speaking quite rapidly. I should like information on the agreement with the two railway companies and anything in writing pertaining to the arrangement with the Bell Telephone Company.—A. Yes.

[Mr. Hector Charlesworth.]

Q. Do you do any dead-head, or have you done any dead-head business. That is, do you permit the use of the Commission's facilities by any individuals or organizations without charge?—A. If it is of a national philanthropy aspect.

Q. Would you furnish us with a list covering the past three years of any institutions who have used the Commission's time, dead-head, as I put it. Then there are religious organizations, as we know, that have used the Commission's time for church broadcasts.—A. They pay.

Q. Would you give us a memorandum of those, a short summary, and the basis on which they pay for the use of the Commission's facilities?—A. I can tell you the basis now. They get a discount of 33 per cent on the regular Commission programs.

Q. I should like you, if you could possibly do so, to give us a list of the dead-head services on one schedule, and what you call religious or philanthropic or services that receive special rate on another schedule. I understand that there has been some change.—A. I do not think we have any dead-head services, except some very special appeal or some noted preacher.

Q. You have no dead-head services now. If you had them in the past and have remedied it, when was the change made?—A. We have never gone on the principle of dead-heads. There are church services. For some reason or other there are many, many religious services, and if you allow one, you would have to allow all of them, and there is not enough time or room on the air in any station, for them all.

Q. I think you told me you had some dead-head?—A. We might have a special appeal. For instance, take that great air pageant, the tenth anniversary of the founding of the United Church of Canada. We broadcast that throughout Canada. It was of great interest to the adherents of the United Church. That was dead-head.

Q. Let us have a summary of them. I am hurrying along. Have you a special price schedule for broadcasts over the air from different stations, set out like a merchant would set it out, at so much per hour, so much per half hour, so much per quarter hour; and if you vary that, having regard to the purpose the customer is using it for, I should like to see it. I should like the Commission's rate of charges of these three schedules and also any variation of the schedules.—A. They are available in printed form.

Q. Will you see that we have them before us at the next meeting?—A. Yes; I think there are copies.

Q. I think it is one o'clock—

MR. WOODSWORTH: May I add one further request, in view of No. 3 in the terms of reference. I think we should have a copy of your regulations with regard to the time available for political broadcasting, and the cost of such broadcasting.

MR. SLAGHT: That is an excellent addition.

WITNESS: We did not make any regulations. Political broadcasting as a whole is covered by amended regulation 90, and that just came under the ordinary commercial programs.

By Mr. Woodsworth:

Q. It might come under a commercial basis, but we have had complaints in regard to political broadcasting, and these complaints were suggested before this commission was set up. I am now referring to such programs as that of Mr. Sage. There is no regulation to cover programs of that kind?—A. No, except the general regulations against defamation.

Q. No special regulation dealing directly with political broadcasts?—A. No regulation specifically mentioning political broadcasts.

Q. But in a series of broadcasts you must have people who are ultimately responsible?—A. Oh, yes.

Q. That is what I mean. Oh, yes.

The CHAIRMAN: Gentlemen it is one o'clock. Before you go I should like for you to decide whether we shall hear the Canadian Press on Tuesday, the 7th of April, or not.

Mr. CAMPBELL: Leave it to the sub-committee to decide. It may be impossible for some of these people to come at the time you would wish them to come. I think that should be put in the hands of the sub-committee.

Mr. McINTOSH: Is Mr. Carnegie here? Perhaps he could enlighten us.

The CHAIRMAN: They have requested to be heard on the 7th of April.

Mr. McINTOSH: They will likely be ready, then.

Mr. WOODSWORTH: I suggest that is a matter for the sub-committee. May I suggest, in view of the fact we are bound to discuss the matter of political broadcasts, that we get full information from Mr. Charlesworth in regard thereto,—we will have to get it sooner or later.

WITNESS: About Mr. Sage?

Mr. WOODSWORTH: And all such matters.

WITNESS: I have a file.

By Mr. Howard:

Q. Give us those who ordered the broadcasts, and what was paid?—A. That was filed in an order to the House, if I mistake not.

Q. Only the commercials?—A. Only the commercials?

Q. Only the amounts that were unpaid?—A. There was also in that order a lengthy statement as to commissions that were paid. However, that is not a difficult matter.

Q. I understand that Mr. Woodsworth's request is added to this, and Mr. Charlesworth has assented.

By Mr. Slaght:

Q. Could you make that in some definite concrete form?—A. Yes. You want particulars as to the amount of money—

Mr. HOWARD: What we would like to have, if we are going to discuss this intelligibly, is the number of political broadcasts, the time, what was paid for same, and over what stations they were handled.

Mr. WOODSWORTH: And any regulations. Some are said to be absolutely anonymous.

Mr. McINTOSH: That should include the treatment meted out by the Commission to each political party in Canada.

Mr. BERTRAND: And whether there were refusals or not.

Mr. DUPUIS: May we ask that this report be distributed before the next meeting?

Mr. EDWARDS: Mr. Chairman, this is not a very suitable room for a committee of this size. I suggest that we endeavour to arrange for, perhaps, a senate committee room.

The CHAIRMAN: We will do that. Before we adjourn, Mr. Plaunt of the Canadian Radio League desires to make a statement.

Mr. PLAUNT: I would like to request that the Canadian Radio League be allowed to appear before this committee and make submissions.

The CHAIRMAN: Would your submissions be in the form of a memorandum or a brief?

Mr. PLAUNT: In memorandum form on which questions might later be asked.

Mr. McINTOSH: Would those submissions be national in their scope?

[Mr. Hector Charlesworth.]

Mr. PLAUNT: Yes, sir.

Mr. RYAN: Who are the Canadian Radio League?

Mr. PLAUNT: They are responsible for the main body of opinion in favour of public ownership at the 1932 committee; they also made representations before the 1934 committee. It is an association of organizations primarily, and it is supported by a very considerable body of opinion.

Mr. DUPUIS: Where is the head office?

Mr. PLAUNT: In Toronto. I would like to leave the date of our appearance indefinite for the present—until after Easter, say.

WITNESS: Now just what information is wanted of me?

Mr. CAMPBELL: I will read this to you:—

The communication to the government after the report of 1934 in which you spoke about your commission becoming a corporation and so forth.

We want that communication.

Second: The regulations of the commission regarding broadcasting—one copy for our files here, and one copy for each member of the committee.

Third: The recommendation of the commission regarding the recommendation in No. 4, 1934 report, in connection with electrical transcriptions.

Fourth: Summary of complaints and commendations.

Fifth: Contracts between the railways and the commission regarding line hire.

Sixth: The schedule of deadhead charges and special rates.

Seventh: The schedule *re* time charges.

And then there is Mr. Woodsworth's political matter.

Mr. SLAGHT: That does not include two or three that you have down yourself, Mr. Charlesworth.

WITNESS: We have a very small staff. I do not think it will be possible to give all this matter with twenty-three copies—I do not know how we are going to do that by Thursday.

Mr. SLAGHT: Bring us those contracts.

The CHAIRMAN: May I ask if it is the wish of the committee to have Mr. Charlesworth here on Thursday?

Mr. SLAGHT: Yes, with as many reports as he is able to bring.

Mr. McINTOSH: I think we should have Mr. Charlesworth here next Thursday.

Mr. MASSEY: May I interject a personal note. I think we should express our appreciation to Mr. Charlesworth for his presence here; he has been ill, and his presence here this morning has been a great personal inconvenience to himself.

The CHAIRMAN: Yes. In fact, I was going to excuse Mr. Charlesworth this morning, if he had not come, because I knew he was not feeling very well.

The committee adjourned to meet Thursday, April 2, 1936, at 11 a.m.

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SESSION 1936
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, APRIL 2, 1936

WITNESS:

Mr. Hector Charlesworth, Chairman of the Canadian Radio Broadcasting
Commission, Ottawa.

OTTAWA
J. O. PATENAUDE, I.S.O.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
OTTAWA

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

THURSDAY, April 2, 1936.

The Special Committee on the Canadian Radio Commission, met at 11.00 a.m. this day, Mr. Beaubien, the Chairman, presiding.

Members of the Committee present:—

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Cahan, Campbell, Cardin, Cochrane, Dupuis, Edwards, Grant, Hanson, Howard, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), Mackenzie (*Vancouver Centre*), McIntosh, Martin, Massey, Plunkett, Ryan, Slaght, Woodsworth—23.

In Attendance: Mr. Charlesworth, Chairman, Lt.-Col. Steel, Commissioner, and several other officials of the Canadian Radio Commission.

Present: Radio officials of the Department of Marine, and others concerned in radio matters.

Mr. Charlesworth recalled. Before further examination, the witness, in compliance with requests of the Committee, at its previous meeting, submitted the following:—

1. Communication after report of 1934 re Commission becoming a corporation. (Ex. 3).

2. Copies of Instructions issued by the Commission to Station Managers (5 copies submitted; 20 additional copies to be prepared and submitted after the Easter holidays.) (Ex. 4).

3. Copies of Instructions re use of Records and Electrical Transcriptions (5 copies submitted; 20 additional copies to be prepared and submitted after the Easter holidays.) (Ex. 5).

4. 30 copies of summary of complaints and commendations.

(Files mentioned in summary are filed with clerk of the Committee, and available for perusal to members of the Committee. This will obviate the necessity of doing a tremendous amount of clerical work). (Ex. 6).

5. 2 copies of contract between the Commission and Wire Line Companies (Recommended to be submitted to Committee in camera, and not made available to press). (Ex. 7).

Schedules of what is termed "dead head" charges and special charges; time charges, and political broadcasts, are being prepared and will be submitted at a later date.

The Committee proceeded to further examine the witness; numerous questions were asked by different members of the Committee and answered.

Mr. Slaght resumed his examination of the witness at the point where it was left at the previous meeting. Witness continued to give evidence and answer questions of the Committee until 1 o'clock.

The witness promised to produce a so-called minority report, which had been prepared by a former commissioner, and to which the witness and Commissioner Steel took strong objection, providing it could be found in the Commission's files.

Lt.-Col. Landry, Secretary of the Commission, for the witness, read an extract from the Minutes of the 64th meeting of the Commission, dated May 1st, 1934 (incorporated in to-day's evidence).

Files showing correspondence between Commission and the Comptroller of the Treasury, to be produced for the Committee at its next sitting.

Circular letters of instructions to stations to be produced.

Political broadcasts to which the Commission received objections, to be supplied to the Committee at its next meeting.

Discussion arose in connection with making public, salaries of employees of the Commission throughout Canada. The Committee finally decided that there was no particular reason why such information could not be made public, as it would be available to the public in other ways.

After discussion Mr. Dupuis moved, seconded by Mr. McIntosh:—

That the list provided by the Commission, showing names of employees and salaries, be placed in the record.

Motion adopted.

(See Appendix No. 1).

The Chairman asked to have the decision of the Committee with respect to receiving the representations of the Canadian Press on Tuesday, April 7, as spoken of at the last meeting.

It was agreed to hear the Canadian Press on Tuesday next; also that Mr. Charlesworth should be present at the meeting for further questioning.

The Committee adjourned to Tuesday, April 7, at 11.00 o'clock, Room 375.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

OTTAWA, April 2, 1936.

The special committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 11 a.m., the chairman, Mr. A. L. Beaubien, presiding.

The CHAIRMAN: Now that we have a quorum, if you will kindly come to order, we shall proceed. At our last meeting the committee asked Mr. Charlesworth, chairman of the Commission, to produce certain documents. Mr. Charlesworth informs me that there is a good deal of work attached to some of them, and they have not been able to produce them all. He has supplied me with a list of those that he does produce, and I shall read that list to you. The list is as follows:—

LIST OF DOCUMENTS SUBMITTED TO SPECIAL COMMITTEE ON RADIO BROADCASTING ON APRIL 2, 1936

1. Communication after report of 1934 *re* Commission becoming corporation.

Extract from the Minutes of the 64th meeting of the Commission held on May 1, 1934. (Note.) This memorandum was submitted in camera on behalf of Mr. Charlesworth and Colonel Steel personally, to the special committee on the operations of the Commission in 1934.

2. Five (5) copies of instructions to stations *re* regulations, programs, time, etc., are submitted. (Note.) Twenty (20) additional copies will be prepared and submitted after the Easter recess.

3. Instructions and recommendations *re* No. 4 of 1934 Report. (Electrical Transcriptions.) (Note) Five (5) copies submitted; twenty (20) additional copies will be prepared and submitted after the Easter recess. (See article 97 of Rules and Regulations.)

4. Thirty (30) copies of summary of complaints and commendations are submitted. (Note.) All files mentioned in summary are available to committee. It is suggested an offer be made to the Chairman of the Committee to retain these and have the sub-committee peruse them; this will save a tremendous amount of unnecessary clerical work.

5. Two (2) copies of contract between the Commission and the wire line companies are submitted. (Note.) This contract should be submitted to the committee in camera and should not be made available to the press.

6. A schedule *re* deadhead charges and special charges is being prepared and will be submitted at a later date.

7. A schedule *re* time charges is being prepared and will be submitted at a later date.

8. A schedule *re* political broadcasts is being prepared and will be submitted at a later date.

Mr. HECTOR CHARLESWORTH, recalled.

By the Chairman:

Q. Out of the seven headings I have read, five are being produced this morning, Mr. Charlesworth?—A. Yes, but not as many copies as you desire. We have not the clerical assistance.

By Mr. McIntosh:

Q. How many of these did you say were confidential?—A. Number 5, the copies of contracts between the Commission and the wire line companies which are submitted. This contract should be submitted to the committee in camera, and should not be made available to the press.

Q. All the others will be available for publication?—A. Yes.

The CHAIRMAN: Yes.

Mr. WOODSWORTH: May I ask the reason why the others will not be available?

The CHAIRMAN: They are available, but it is left to the discretion of the committee as to whether they should be made public or not.

Mr. WOODSWORTH: I was going to ask the reason why the chairman of the Commission asks or suggests that they should not be made public.

The CHAIRMAN: I think the Minister of Marine can make a statement in regard to that.

Hon. Mr. HOWE: I might say that the communication business is highly competitive. The railroad companies who have this contract have asked that it be not made public, and have given their reasons, which I think are good reasons. I, as minister in charge of the department, would prefer that they be not published in the press. There is no objection, of course, to every member of the committee going through it in detail. It is commercial business, and I think it should be treated as confidential.

Mr. WOODSWORTH: My only reason in asking is, if you are going to have an intelligent discussion upon this business, which you say is competitive, I do not know how we can very well discuss it without making some reference later on to the terms of the contract.

Hon. Mr. HOWE: I do not want to muzzle discussion; but it seems to me, if it is absolutely necessary to know the terms of the contract, in discussing it we should avoid giving the figures to the press. That is the only objectionable feature of it.

WITNESS: If I might be permitted to make a suggestion, Mr. Minister, I think the whole question of wire charges is bound to come up from time to time, in the committee, and we think before this is discussed the other parties to the contract should be represented here, and perhaps if it were advisable, the committee might fix one session for the discussion of the whole business of wire charges. It is a very important one, and I think everybody should be here. We could have our own technical men here, and the other parties to the contract could have their men here, and any other wire interests who, I believe, have made representations to the committee; at least, I understood they were to make representations. I think there is sufficient business along that line to take up one session of the committee, and they ought to be heard in public or in any form you choose to adopt.

Mr. McINTOSH: Would it not be wise, after we discuss the wire contracts, to make a statement that would be suitable for the press?

The CHAIRMAN: I think we can decide that when we come to it. It will be discussed broadly, you know.

[Mr. Hector Charlesworth.]

Mr. McINTOSH: That is the principle they follow in conferences. In conferences when certain questions come up that should not be made public, a statement is prepared for publication.

The CHAIRMAN: Gentlemen, at the last meeting we decided we would ask Mr. Charlesworth to obtain certain information for us. Mr. Slaght, I understand, had not finished his questions when we adjourned last day, and if it is the wish of the committee I think we shall let Mr. Slaght continue.

Mr. SLAGHT: There are a few more general matters which I think should be brought out. Mr. Chairman, would it be the wish of the committee that we run over the documents that were asked for and which are produced, so that the committee may know what they contain? I think that would be a good way to start this morning.

The CHAIRMAN: I think so.

By Mr. Slaght:

Q. The first document asked for was a communication from the Commission to the government after the report of 1934, in which the chairman spoke about the Commission becoming a corporation. That is here this morning?

A. It is here. Of course, I was speaking from recollection. I did not expect to speak. We also put that matter before the committee and sent copies to the government. The reason it was discussed in camera was that the committee itself suggested discussing our recommendations in that way. We have no objection whatever to publication of this document—I shall read it in a moment or two. In an explanation of it, I may say that it is signed only by myself as chairman, and Colonel Steel. The vice chairman at that time, Mr. Thomas Maher, had an entirely different plan which he had taken to the government. It had the complete disapproval of Colonel Steel and myself. It involved, as I recollect it, certain propositions or suggestions that we thought, on our part, were an invasion of the rights of government and parliament. It detailed proposals to take away—

Q. Is that available also? A. No, it is not available unless you send for Mr. Maher. I am giving you just a sketch of it to show why we prepared this memorandum on our own account, a separate memorandum. It proposed to take away from the Marine department and put into the National Revenue department,—which we thought might be regarded by the government as an impertinence,—it proposed to take away from the Marine department all this work, the introduction and expansion, and that sort of thing, to which I have always been particularly opposed, because I think our commission ought to be the body to deal with it. That was the objection I had to it, and also Colonel Steel. We were asked to give our views on it, and we held a commission meeting. Mr. Maher refused to sign. This is the document that we drew up and handed to the meeting of the committee, the first meeting after May 1st, 1934, when we provided this plan.

Q. That is, so to speak, the majority report of the commission? A. This was the majority report.

Q. Mr. Maher made a minority report which the committee might like to have made available also. A. Yes—well, it would not be regarded as a report of the commission at all. On discussion of it, it was rejected *holus bolus* by me. I looked at it and I said, "no; if you attempt to bring this to the public, I will shoot it full of holes." So it did not get any farther. It could not be regarded as a minority report. It was a suggestion he had prepared for the committee itself.

Q. Notwithstanding that, I suggest, Mr. Chairman, that it is something for the committee to see; as in arbitrations sometimes very useful points are contained in the report of minority arbitrators. If we are to have the mind of the commission as it then existed, unless there is some good reason to the contrary,

I suggest we should have produced from the files the minority recommendations to which you refer, and which you say you would shoot full of holes, as well as the majority recommendations.

By Mr. Edwards:

Q. Would it not be contained in the files?—A. It never went on our files. There may be a copy of it in my own locker. I have a locker in my own room where I lock up certain things.

By the Chairman:

Q. May I interject here—A. I have no objection to producing it.

Q. I do not think we should criticize or comment on a minority report or suggestions, unless they are produced.

By Mr. McIntosh:

Q. I think it should be produced for members of the committee.—A. It was prepared before the committee ever sat, as a matter of fact. We always refused to consider it.

By the Chairman:

Q. It is understood, Mr. Charlesworth, that you will produce it?—A. If I can find it in my locker.

Q. It must be some place?—A. In the first place, it was taken to the government without my knowledge before I had ever seen it. I think perhaps now there may be one copy in my locker. I will bring it in on Tuesday, if anybody wants to see it.

By Mr. Slaght:

Q. Have you any spare copies of the report you are going to read?—A. I have two spare copies. We are very short-handed; we were unable to get other assistance.

Hon. Mr. HOWE: I authorized two this morning.

WITNESS: They will be very welcome.

By Mr. Slaght:

Q. Is it a lengthy document?—A. It is around about 1,500 words.

Mr. WOODSWORTH: May I ask what purpose Mr. Slaght has in mind in having this document read and discussed in detail? It seems to me that the purpose of the committee was to get at certain recognized evils and suggest certain remedies.

Mr. MCINTOSH: We want the picture just as complete as possible; that is the reason.

Mr. WOODSWORTH: I think I am within my rights in asking what purpose Mr. Slaght has in mind.

Mr. SLAGHT: I think I can answer that question. I am under the direction of the committee as to whether or not the document should be read; but it does seem to me that when a committee which sat at great length in 1934 and brought down a very brief report, as we heard analysed yesterday, and when the chairman of the commission makes a recommendation to the government dealing with the recommendations of the committee, that that would be an excellent place to start, before wading through everything under the sun. That was the only reason. I want to get on as fast as anybody, but I think this is the place to have it read. I am entirely in the hands of the committee. I am not arbitrarily asking it to be read.

[Mr. Hector Charlesworth.]

Some hon. MEMBERS: Let us have it read.

Mr. BERTRAND: We should know what the report is.

WITNESS: This was a document brought before the committee itself, and naturally it went to the government also.

By Mr. Slaght:

Q. Before they made their report?—A. Yes; it was during the sitting, as you will see by the date, which is May 1st. There is a copy there. It is dated May 1st. As I say, my memory—

Q. I did not understand it was that.—A. I did not make myself clear.

Q. Was the communication made by you after the report of the 1934 committee? If it was prior to the report of the committee, it may not be desirable to read it now.

Mr. EDWARDS: That is a different story.

WITNESS: After the reports of the committee were made.

The CHAIRMAN: Was it put in the record?

By Hon. Mr. MacKenzie:

Q. Is the report in the record?—A. I do not think it is; I do not know.

Mr. MARTIN: We might have a summary of it now.

WITNESS: There is nothing in it that should not be disclosed at all, but the committee itself preferred to discuss it in camera.

Hon. Mr. HOWE: If it is not very long, you might read it.

WITNESS: I have no objection.

By Mr. Slaght:

Q. It is dated May 1st, 1934. Obviously it was made before the committee made its report.—A. Yes.

Mr. BERTRAND: I prefer you read it now.

Mr. MARTIN: Mr. Charlesworth might give us a summary of it.

WITNESS: It is pretty well condensed as it is. My voice is not very good, and perhaps Colonel Landry might read it to you.

Mr. SLAGHT: It is only two and a half pages.

Mr. LANDRY:

EXTRACT from the Minutes of the 64th meeting of the Commission held on Tuesday, May 1, 1934:—

Colonel Steel read the following memorandum which was approved by the Chairman and himself: at this point Mr. Maher stated that the memorandum should not be submitted as coming from the Commission but should be signed by both the Chairman and Colonel Steel. This was agreed to.

During the past year the Canadian Radio Broadcasting Commission has had an excellent opportunity to put to a practical test the broadcast legislation passed by the House of Commons in 1932 and later amended in 1933.

I would like to call your attention to the fact that as the law stands at present the Broadcasting Commission is called upon to perform a dual function: (a) controlling and regulating radio broadcasting in Canada; (b) production and distribution of programs throughout Canada.

This means that the Commission is actively in the field in competition with private commercial stations in so far as the use of stations and time is concerned. The Commission is also in competition with private commercial stations to a very moderate extent, in connection with com-

mercial programs over its own stations. The Commission has discovered that the legislation as it exists is not sufficiently flexible to meet the requirements of commercial work, but instead is only designed to cover the operations of a normal government department.

We are of the opinion that the system should be continued, and for this reason we would propose certain fundamental changes in the legislation as it exists at present. These changes are enumerated and explained in the following paragraphs:—

1. Section 4 of the Act should be repealed and the following substituted therefor:

4. The Commission may appoint such technical, professional and other officers, clerks and employees as the Commission may see fit, all such persons shall receive such salaries or remuneration as may be fixed by the Commission.

The Canadian Radio Broadcasting Commission is an independent body appointed by parliament, not only to control and regulate all broadcasting in Canada but also to produce and distribute national programs. It is essential that the Commission should have very wide powers with regard to the selection of suitable employees for this work. The Civil Service Commission has not in the past been called upon to employ personnel for such purposes and they are, therefore, not conversant with our requirements, further, it is not considered that the Civil Service Act is a suitable vehicle through which the Commission should obtain its employees, either technical or clerical.

2. Section 9 of the Act should be amended by striking out the words "subject to the approval of the Governor General in Council" where they occur in paragraphs (b) and (c) thereof.

It is generally admitted that the work of the Commission should be as free as possible from political and governmental influence. Parliament and Privy Council have a very complete control over the operations of the Commission through the voting of money from year to year for the operations of the Commission. It very frequently happens that action must be taken at short notice in order to lease or purchase a station to give satisfactory coverage in some part of the country. If it is necessary to submit each and every one of these cases to Privy Council for decision, it will mean that such action will be delayed many months and the Commission placed in a most inadventagous position with respect to private broadcasting stations in the country.

The Radio Commission should be free to take such steps as they may deem necessary within the limits of the money provided yearly by parliament.

3. Section 14, as amended in 1933, should be retained with the exception of subsection 3, which should be repealed and the following substituted therefor:

3. The Minister of Finance shall from time to time pay into a chartered bank to the credit of the Commission moneys appropriated by parliament for the purposes of the Commission.

In view of the changes proposed in sections 15, 16 and 17, it would not be necessary for the Commission to submit annually an estimate of the expenditures which it proposed to make during the fiscal year.

4. Section 15 of the Act should be repealed and the following substituted therefor:—

15. The Commission, notwithstanding anything contained in the Consolidated Revenue and Audit Act or any other statute or law, shall provide by regulation for (a) the audit and inspection of accounts, including receipts, expenditures, and assets and liabilities of the Commission;

[Mr. Hector Charlesworth.]

(b) the issue and signing of cheques and other instruments by or on behalf of the Commission.

If the Commission is to be given control of its own finances, it should be free to make ordinary business arrangements to handle such moneys as may be received by it under the Act.

5. Section 16 of the Act should be repealed and the following substituted therefor:—

16. An audit of the books of the Commission shall be made in accordance with regulations made under the provision of section 15 of this Act, by a firm of chartered accountants appointed for that purpose by the Governor General in Council.

This would give parliament and privy council the same effective control over the expenditures of the Commission that they have at the present time, but it would make it unnecessary for the intimate details of the business of the Commission to be debated on the floor of the House. It is obviously unwise for matters pertaining to payments made in connection with the production of programs to be open to general debate in parliament.

6. Section 17 of the Act should be repealed.

Sections 15 and 16 as amended above will provide for the necessary audit of the Commission's financial operations.

7. Section 18 of the Act should be repealed and the following substituted therefor:—

18. The Commission shall on or before the 1st March in every year prepare an annual general report of operations for the preceding year and attach thereto a duly certified statement of receipts and expenditures and assets and liabilities prepared by the chartered accountants duly appointed by the Governor in Council under this Act. Such report and certified statement shall be submitted to the Minister and shall by him be laid before parliament.

It is considered that section 18 should be eliminated and replaced by the section proposed, which is similar to that contained in the charter of the British Broadcasting Corporation. The arrangement under which the yearly report of the B.B.C. is submitted to parliament is similar in all respects to the arrangements made for the yearly report of the Canadian Farm Loan Board.

See page 1694, R.S. of Canada 1927, section 14 of the Canadian Farm Loan Act, 1927.

By Mr. Campbell:

Q. Before we discuss that, I think we should clear up something regarding what was asked the other day. On page 9 of the evidence you will find a question by Mr. Slaght:—

Q. You did not discuss with the government or pass on any recommendation to either adopt or reject that finding of the committee?—

A. We did make a recommendation that, as a first step, we should be given the powers of a corporation.

Q. That would be in writing, would it?—A. Well, they speak of us in the Act as a corporation and say we can be sued.

Q. You said you did make a recommendation?—A. Yes.

And so on. And then down further Mr. Slaght asked:

Q. You have told me you made this recommendation; does it touch this point of the general manager?—A. No, it does not touch that.

Q. We had better have it anyway. That was a recommendation as a result of this report?—A. Yes.

A. I did not get that.

Q. Mr. Slaght asked you to produce this recommendation. The impression was left with the committee that it was a recommendation as a result of the report of the 1934 committee. Apparently it is not.—A. No, it was not as a result of that. The reference there was to the fact that when the report of the committee was issued to the press, we were asked for a statement and we said we had made a recommendation in favour of giving us the powers of a corporation. I have the copies which I have dug out from our publicity department, of the regulation to which that is an allusion.

By Mr. Slaght:

Q. Was there a recommendation made the committee reported?—A. No. We made no recommendation at all.

MR. CAMPBELL: Then this is an erroneous impression.

WITNESS: The committee reported and the house adjourned and the vacation started in July. I brought 25 copies of this. This was the statement we handed out when the parliamentary committee's report or recommendations were published.

By Mr. Slaght:

Q. What is the date of that?—A. It is June 28. That was in the press and copies sent to the prime minister.

MR. SLAGHT: Perhaps that could be marked and left here in the meantime.

THE CHAIRMAN: Yes. Shall we go back?

By Mr. McIntosh:

Q. That is after the 1934 report?—A. Yes, on the same day. Naturally the newspapers came after us.

By Mr. Campbell:

Q. Just to clear this up, you made no report to the government after the report of the 1934 committee?—A. No.

Q. This document which Col. Landry just read is the one you refer to?—

A. No. I was referring to the public statement that I gave on the subject.

Q. We have that now?—A. Yes, you can have that now.

MR. SLAGHT: You can have that whenever you want it.

THE CHAIRMAN: We will put it in the record.

The document referred to is as follows:—

The following statement was issued by the Canadian Radio Broadcasting Commission this afternoon:

During the past few months there has been a good deal of discussion in the press and generally throughout the country with regard to the position of the Broadcasting Commission on the question of control and operation of radio in Canada. Very soon after coming into office the Commission found out that its position was a very difficult one in view of the fact that it was called upon to administer the regulations and at the same time to be in the business of producing and distributing radio programs throughout the country. In view of this experience the Radio Broadcasting Commission has found it advisable this year to recommend that regulation and operation should be separated; that the Radio Commission should be left in charge of the regulation of broadcasting but that a corporation

[Mr. Hector Charlesworth.]

should be formed owned by the Commission to be responsible for the preparation and distribution of programs throughout the country."

The Canadian Press.

HC/WAS/ILK.

28-6-34

MR. SLAGHT: If the committee pleases, there are two or three matters that I think could readily be dealt with in the document just produced and which is dated May 1, 1934, containing the recommendations of Col. Steel and Mr. Charlesworth.

By Mr. Slaght:

Q. In section 1 of this document you recommend that section 4 of the Act should be repealed and a substitution made allowing the commission to appoint technical, professional and other officers, clerks and employees. What was done as a result of that?—A. Nothing.

Q. At the end of page 1, the commission recommended that it should not only control and regulate all broadcasting, and so on, but "it is not considered that the Civil Service Act is a suitable vehicle through which the commission should obtain its employees, either technical or clerical." What was the result of that?—A. There was nothing done, as far as the commission was concerned, in connection with it.

Q. So it is left as it is?—A. Yes. If I might make a suggestion, that is not an official report. If you will notice at the top of that, Mr. Maher objected to our putting that in as a decision of the commission.

Q. I think you made that quite clear, Sir.—A. Yes.

Q. Then at the middle of page 2 it reads: "In view of the changes proposed in sections 15, 16 and 17, it would not be necessary for the commission to submit annually an estimate of the expenditures which it is proposed to make during the fiscal year." Did they adopt that suggestion to relieve you of the necessity of estimates?—A. No. There was a reason for that suggestion, I may say: At that time, just when we were starting, it was very difficult for us to make estimates as to the actual cost of set-ups in various parts of the country. We were extending our national network. Now we have the matter more systematized, and it is much easier to make estimates than it was at that time.

Q. Then, to this committee today you would not reiterate that proposal, as I understand it?—A. No.

Q. Then under heading 4 you recommend the repeal of section 15 and the substitution of another section. Looking at clause (b) of the substituted section, you recommend the issue and signing of cheques and other instruments by the commission. Was that adopted?—A. No.

Q. That might be a convenient place to start from. What do you say today as to that? Are you still recommending that?—A. It would be of great convenience to us if we had in our institution an officer or comptroller of accounts or something of that sort to keep a check on expenditures and issue cheques, countersigned by a commissioner, if necessary. That matter of controlling our accounts, keeping control of just how our money is going out, is rather a difficult one under the present system whereby it goes to the comptroller of the treasury, and various things go through and various things turn up.

Q. That brings me to an item I had on my list. Perhaps you will make clear to the committee, as briefly as you can, just what the present system is, what your power to obligate the commission for expenditures is, and then to whom you have to come to issue cheques. Let us have a bird's eye view of the method that is in force, as a business method, for running the thing.—A. In connection with programs, annually we allot so much money for programs.

Q. When you say you allot, do you include that in an estimate that you furnish to someone in advance?—A. We fix a budget of our own.

Q. Who does your budget go to?—A. Our budget goes to the Minister and to the Comptroller of the Treasury. I think this year it went to the Minister of Finance as well.

Q. Does it come back O.K.'d or disapproved?—A. Well, they have the power to O.K. or disapprove.

Q. On what authority? Where does that come from? Is it in the Act or by regulation or how?—A. Well, council can cut it. One year we had a lump sum of \$250,000 cut on us without asking us for any explanation as to how we were to get along without that \$250,000, and what department of our administration we were to take it off.

Q. Then let us get this clear. You budget, and submit a budget to whom?—A. We budget in advance and we submit the budget to the Minister. This year it went to the minister as early as January 15, if I remember right.

Q. Then it comes back from the minister with written approval or alterations, does it?—A. If he is disposed to do so; not necessarily.

Q. I mean, there is power in the minister to do that?—A. Yes, the minister has the power.

Hon. Mr. CAHAN: I think the honourable gentleman is just on the wrong track. What he means when he says he submitted a budget is that that was the basis of an estimate to be proposed by his minister and to be submitted by the Minister of Finance to council with the other estimates, and council cuts down these estimates very frequently.

By Mr. Slaght:

Q. Is that what you mean, Mr. Charlesworth?—A. Yes, that is the system. Mr. SLAGHT: Then we are clear on that. Thank you, Mr. Cahan.

By Mr. Slaght:

Q. When you begin to operate and take on obligations, how do cheques get issued to pay for what you need?—A. We pass the accounts through our small accountancy department and they go to the Comptroller of the Treasury, for representative of the Comptroller of the Treasury in the National Research Building, who has not merely charge of our accounts but of Tariff Board accounts, I assume, and National Research accounts—everybody that is in that building. He signs the cheques.

Q. He signs the cheques?—A. Yes.

Q. He has power, I take it, to refuse to sign cheques on your recommendation?—A. I do not think he has power to refuse. He has power to hold up a cheque until he has consulted with myself or with the Comptroller of the Treasury or both.

Q. Suppose he consults and disapproves; what happens?

Hon. Mr. CAHAN: It is only a matter of expenditure, the same as any other department.

Mr. SLAGHT: I just wondered. I think perhaps I should retire and let Mr. Cahan conduct this.

Hon. Mr. CAHAN: I beg your pardon?

Mr. SLAGHT: I say I can retire and let you conduct this.

Hon. Mr. CAHAN: Oh, no. But these expenditure are handled just the same as any other department.

Mr. SLAGHT: You may understand it, but I am not sure that all the committee do understand, and I thought it was essential for us to know that.

Hon. Mr. CAHAN: I suggest that Mr. Charlesworth is not the witness to explain it.

[Mr. Hector Charlesworth.]

Hon. Mr. HOWE: Perhaps I could explain it.

Mr. SLAGHT: Then that would be an unhappy situation, if the chief commissioner did not understand where he had to come for money. I cannot think that that is the case.

Hon. Mr. CAHAN: As to expenditures and how the cheques are issued, and as to what verification is taken with respect to the accounts before cheques are issued, is a matter that I think he has no special knowledge of. The Comptroller of the Treasury would know that. It applies to every department.

Mr. SLAGHT: What I was asking, sir, was as to what happens if the Comptroller of the Treasury disapproves of a payment recommended by him. I think he can answer that, surely. He must have had it happen.

WITNESS: We have had no experience of that, except perhaps in an item of \$10 or something of that sort, where we have unwittingly violated certain regulations. Ordinarily with an expenditure, when the proper explanation was given, there has been no difficulty. I can give you the sole instance in which a payment has been refused, if you want it.

By Mr. Slaght:

Q. All right, let us have it. It will give us an understanding of what the power is. Will you proceed?—A. Early in the winter the president of the Canadian Radio Manufacturers' Association died suddenly, and they desired that the commission should be represented at the funeral. None of us could go, so we sent a wreath and paid \$10 for it. In doing that we had violated certain regulations of the government founded on the government of Ireland, and so we paid it ourselves. That was the only thing.

Q. Thank you, Mr. Charlesworth. Then as I understand what you are telling us, except for that single instance, in your career as commissioner there has not been a veto power exercised by the comptroller against any payment to amount to anything?—A. Our payments have all been honest and above-board, so there could be no exception taken to them when they knew the facts.

Mr. SLAGHT: Following Mr. Cahan's suggestion, it might be convenient to have the minister give us what routine the Comptroller of the Treasury or his department goes through.

Hon. Mr. HOWE: Mr. Chairman, I might say that this Radio Commission is operated as a department of government, but it is really a department separate from the Department of Marine, or any other department. The Minister of Marine is the channel through which the Radio Commission communicate with the government; when they wish to communicate with council, it goes through the Minister of Marine. If there is a dispute with the treasury board, it is brought to the minister for his views or the views of the Comptroller of the Treasury. But this is really a separate department of government and operates just as any other department of government. As you know, every government account cheque is issued by an official of the Comptroller of the Treasury. The Comptroller of the Treasury checks them as regards the funds available. As commitments are made by a department, the appropriation for the department is restricted by that commitment. That is, as a contract is made, the amount of the commitment there is noted against the appropriation. If the appropriation runs out, of course the Comptroller of the Treasury stops issuing cheques. If the account is irregular in any way according to government regulations, again the Comptroller of the Treasury stops issuing cheques. If the cheque is for some purpose that he thinks requires the attention and consent of the minister, he refers it to the minister. That, I think, is the procedure.

Mr. SLAGHT: Thank you, Mr. Howe.

By Mr. Slaght:

Q. Then, Mr. Charlesworth, if you will look at the foot of page 2, paragraph 5, I see that you recommend the repeal of section 16 and to substitute therefor a section which, without reading it, provides that the books of the commission should be audited by a firm of chartered accountants appointed for that purpose. Was that adopted?—A. No.

Q. Who audits the books under the existing system?—A. The auditor general.

Q. The auditor general audits them?—A. Yes.

Q. On page 3, you have a clause at the end of the first paragraph as follows: "It is obviously unwise for matters pertaining to payments made in connection with the production of programs to be open to general debate in parliament." Was that recommendation adopted, shutting parliament off from discussing matters pertaining to payments made in connection with the production of programs?—A. The meaning of that is this—

Q. Will you tell us first whether it was adopted or whether it was not adopted?—A. No, no action was taken on any of these things. I should explain what that means. In dealing with musicians and temperamental people of that sort, there is a good deal of jealousy and rivalry as to what this fellow is getting and what that fellow is getting out of it.

By Mr. McIntosh:

Q. Are they any worse than the ordinary run of mortals?—A. I do not know. But I have had a great deal to do with them all my life, and I know about that phase of it. I have no doubt that some artists on the air will say, "I got \$300 for that," or something of that sort, when perhaps he has only got \$50. If the discussion of all these matters, of how much you are paying a pianist, how much you are paying a singer and all that sort of thing, were brought into the open, it would just keep you in a continuous state of brawl in operating a program system.

Q. Is there any other reason?—A. No other reason.

Q. Is there any other reason why you want to shut parliament off from discussing such payments?—A. It was just to prevent bringing up the case of some musicians and how much they get for such and such a program.

Q. Are you still recommending that parliament be debarred from discussing the matter?—A. I am not recommending that parliament be debarred from anything. We were asked for suggestions. That would be absurd. We thought of that as something that was not a suitable subject for discussion in parliament.

Q. For the reason you stated?—A. Not in the public interest.

By Mr. Dupuis:

Q. Before this question passes, Mr. Charlesworth, I should like to ask if it has come to your knowledge that there have been many abuses arising out of private stations paying a very small salary to singers, pianists or other musicians?—A. Well, we have heard complaints of that kind a good many times. Of course, the private station is not under our control with regard to what it pays its artists. A great many people, especially in the smaller cities, will sing for nothing just for the privilege of hanging around the station. There is a fascination about it for them. We ourselves make it a rule to pay everybody decently within our means. As for the abuses with regard to privately owned stations, we have heard about them; artists that have sung for us have told us about what they had to suffer from private stations; but it is not a matter within our control in any way.

Q. I have not got the draft of the bill before me; I do not believe we have it—

The CHAIRMAN: The draft of which?

[Mr. Hector Charlesworth.]

Mr. DUPUIS: Of the proposed bill.

The CHAIRMAN: I might inform you, Mr. Dupuis, that there is no proposed bill before the committee.

Mr. DUPUIS: I was informed that the sub-committee had drafted a bill.

Mr. SLAGHT: No.

Mr. DUPUIS: Then that is all right. In the public interest, I think what matters is that these artists or musicians should be protected. Last year there was a large investigation conducted by Mr. Stevens upon price spreads, and they talked of sweat shops and all those things. Would it not be a good thing, Mr. Chairman, if the proposed bill contained some clause to protect the musicians and the artists even in private stations, as there are so many abuses?

The CHAIRMAN: I think what Mr. Slaght is trying to do is this: The commission has presented certain recommendations to the committee of 1934 and those recommendations, as far as I can gather from Mr. Charlesworth, were submitted to the government as well.

WITNESS: Naturally they would be submitted to the government.

The CHAIRMAN: Mr. Slaght is trying to find out what has been done following those recommendations of the commission, or whether anything has been done, or whether the commission is just the same as it was previous to the inquiry of 1934 and the report therefrom.

Mr. DUPUIS: In my judgment the question I am submitting now is connected with the question just put by Mr. Slaght; that is to say, is it wise to put this question out of the control of parliament even with regard to employees of the commission or the artists and musicians which are employed by the commission?

WITNESS: I think, with the chairman's permission, I could clear that up right now. So far as instrumental musicians are concerned in Canada, they are very amply protected; in fact, they are more than amply protected by their unions. It is a highly unionized business in all the centres. There is an international union and there is also a Canadian union, so that so far as instrumental musicians are concerned, the matter is taken care of. There has never been any charge that there was any sweating, except a charge might be made which was just talk. So far as payment of singers in stations is concerned, that is largely optional with the singer. It would be possible for any privately owned station to fill its program with deadhead singers who were willing to sing on the air for nothing, provided the public would listen to them.

By Mr. Dupuis:

Q. You are talking about amateurs not professionals?—A. Well, we do not make any distinction between amateur and professional ourselves. If a good amateur comes along with a voice we think the public would like to hear on the air, we put the amateur on just as quickly as we put the professional on.

By Mr. Martin:

Q. With regard to the musicians' union, is it your practice to employ only musicians who belong to the union?—A. No. By understanding with the international union, we have open shop, so to speak. In fact, that was threshed out in July, 1934. We pointed out that no government institution can make any contract or any arrangement to deal exclusively with members of one union. We have always refused to recognize that principle.

By Mr. Slaght:

Q. Was there not a private memorandum prepared by you or one member of the commission for the use of one member of the previous govern-

ment with respect to the visit of Mr. Gladstone Murray?—A. Not that I am aware of; I heard nothing of it.

Q. Would you mind checking that up?—A. Certainly; it would not be on our file. I shall see if it is on the files. I never saw it.

Q. Would you mind checking that up? I was told there was.—A. Prepared by a member of my commission?

Q. Yes.—All I will look to see. We can look into the files of Gladstone Murray.

Mr. SLAGHT: Mr. Chairman, that is all that occurs to me to ask Mr. Charlesworth regarding the document which has been produced. Unless some other member of the committee has something, I shall pass to another subject.

By Mr. Dupuis:

Q. If I understand you rightly, you think it is not in the public interest to know the wages paid to artists or musicians employed by the commission. Is that your recommendation?—A. If you want them, we can file the wage scales paid for orchestral musicians in Toronto, Montreal and Windsor, and centres where they are organized, which are practically all centres where we use orchestral musicians. What I mean, Mr. Dupuis is, we do not think the remuneration of individual artists should be a matter of public discussion. For instance, an artist may have a regular concert fee of \$250 a night; but it is to the advantage of the artist to come and offer his services on a short 15 minute program for a very much smaller figure because of the advertising he gets over the air. The individual artists themselves do not desire that the remuneration they receive be made public. That is a long standing system in all musical enterprises.

By Mr. Bertrand:

Q. All orchestral programs?—A. I have had a long association with grand opera in a business way, especially when I was a younger man, and nobody knew exactly what artists were getting. Nobody knows what the artists in the Metropolitan Opera are paid. They do not want it discussed. It is not advisable.

By Mr. Dupuis:

Q. I do not see why. At any rate, it would perhaps influence the private stations to be more human in their employment of musicians?—A. I am afraid you are asking too much of the commission when you ask them to run the functions of the privately owned station.

By Mr. Slaght:

Q. Before you leave that, may I ask this: is there any other department of government that you know of where parliament is deprived of knowing and discussing the public money that is paid?—A. I don't think in any department of the government—

By Mr. Dupuis:

Q. The Canadian National Railways?—A. The Canadian National Railways, and I think in nearly all departments.

Q. We have to many of these bodies—

By Mr. Slaght:

Q. If the committee pleases—A. I do not think the details of the business of the Department of Justice are revealed to the public. I think most departments—

[Mr. Hector Charlesworth.]

Hon. Mr. MacKENZIE: Every department is guided by public interest.

WITNESS: Public interest guides everything.

By Mr. Slaght:

Q. We have your view on that. If I may, with the approval of the committee, again refer to the relations between your commission and the Comptroller of the Treasury for a moment, I should like to do so. I should like you to direct your mind to the period since June, 1934, only because I do not want to go back to the matters investigated by the former committee. June, 1934, to the present time is the period in which I am interested. Have you a file which contains the correspondence between your commission and the Comptroller of the Treasury for that period?—A. Yes, we would have the file.

Q. A similar file to that already shown?—A. Yes.

Q. I would ask, subject to the approval of the committee, for the production of both files at the next meeting of the committee. Would these files disclose the possible difference of opinion as to certain expenditure, or certain contracts?—A. They are mostly explanatory. They write and ask for explanation on certain matters; why we want a clerk or something like that.

Q. That will be produced?—A. Yes.

Q. You were good enough to produce for us a schedule of the head office officials and the officials of each district, and I think a copy has been handed to each member of the committee?—A. Yes.

Q. May I for a moment direct you, let us say, to the Toronto district, which perhaps will be typical. I do not want to go over all of them. The Toronto district will be found on page 4. I want to get some notion of the set-up and duties of the officials.—A. You want the Toronto district?

Q. I am taking that as a large district, and perhaps a typical district. You can tell us afterwards if there are any refinements as to other districts, which we ought to know. Looking at page 4 I see you have collected under station CRCT the Toronto employees with their salaries and titles. CRCT is the official air name of your Toronto station?—A. That is our outlet at Toronto.

Q. You have no other outlet at Toronto, officially?—A. No.

Q. Then the first gentleman is the station manager and regional program director, for Ontario I suppose? That man's name is Mr. Stanley Maxted, who receives \$4,750 a year, and then there is a reference to P. C. 11/2868. Is that the resolution appointing him?—A. Yes, that is the order in council.

Q. Have you that at hand?—A. Yes.

Q. It shows what his duties are?—A. Yes.

Q. Would you file a copy of that?—A. I guess so, we can have a copy made.

Q. Make a copy and file it. Will you refer to it a moment and see what Mr. Maxted's duties are?—A. Yes, we have them here.

Q. Let us hear them. You can put your finger on the clause which deals with his duties?—A. "Stanley Maxted, under the direction of the Commission, having charge of the management of station CRCT; responsible for the direction of the staff at station CRCT under the direction of the program department having charge of production, presentation of programs, CRCT; regional program director for Ontario and other related duties assigned by the Commission.

Q. Well now, what other related duties were assigned to Maxted by the commission, if any?—A. Well, anything that arose in the course of the day in that station; requests for the use of the air; request to have some service clubs, who have a distinguished speaker, go on the air. Or, if a question arose or a conflict as between two rivals for the use of an hour or half hour, he has to deal with that, and if it is a matter that involves a good deal of difficulty he

refers it to me at Ottawa. He is supposed to look after the smaller matters himself, without bothering the commission, unless it is something he thinks the commission should learn about.

Q. Are there any other duties assigned to him that you have not given?—

A. No; Maxted himself occasionally steps in without remuneration and sings. He is a very distinguished singer; but his duties do not involve singing.

Q. He is not paid to sing or perform?—A. he is not paid to sing or perform. He is supposed to supervise programs.

Q. His salary is \$4,750, and I take it he is a full time employee?—A. A full time employee, about 16 hours a day.

Q. Has he any permission from you to absent himself and direct himself to other matters and other means of earning money during the day?—A. Well, we take no objection to his singing in a church choir. He is an attendant at a church in Toronto, and sings there. He lives at the Royal York hotel, and he has sung for years for the C.P.R. on their program. He was sent to Toronto originally by the C.P.R.

Q. Your arrangement is covered by that memorandum?—A. We get the program that he signs on. It is a very fine program, the Rex Battle program. They distribute it and it goes on our stations in Canada. We get the benefit.

Q. I gather from the order in council that he is a full time employee, 16 hours a day?—A. When I say 16 hours I mean he is occasionally on duty 16 hours; he is a 24 hour employee.

Q. May I ask you whether his right to use time for other purposes than serving the commission is covered by any letter or any memorandum passing between your commission and Maxted?—A. No.

Q. It is not?—A. No. We would not interfere with Maxted doing a little singing any more than civil servants in Ottawa are interfered with. There are dozens of fellows that sing and perform sometimes on our programs here in Ottawa.

Q. Does that apply to dramatic performances that Maxted may engage in, also? Is that done with your approval?—A. I do not know of any dramatic performances that he is engaged in. They have not come to my knowledge, if there are any.

By Hon. Mr. Howe:

Q. If I may interject a question, I think what Mr. Slaght is getting at is that civil servants, generally speaking, are not allowed to earn money through outside activities. Does that apply to Mr. Maxted, or not?—A. I do not know that he earns any money at outside activities.

Hon. Mr. CAHAN: There is an order in council which discloses exactly the outside services which they perform.

Hon. Mr. HOWE: Yes.

By Mr. Slaght:

Q. Then, you say Maxted would deal with requests for the use of the air?—A. Yes; he or one of the staff. He is the manager.

Q. Is he responsible for granting the use of the air on application so far as the Toronto district is concerned?—A. Yes, he is the ultimate man responsible. Of course, for an ordinary matter they would come in and file an application for time with one of the staff. If there is a difficult question arises, he refers it to us at Ottawa, to Mr. Powell, the commercial director, and then to myself, if it is a difficult question.

Q. Have these questions been referred to you at times?—A. Yes they have occasionally.

[Mr. Hector Charlesworth.]

Q. They have occasionally?—A. In all large cities, stations, privately and publicly owned have an great deal of pressure brought to bear for undesirable broadcasts, and he has to deal with those. If they become pressing he refers the matter to me, and I decide what is to be done. Ordinarily he refers to head office when necessary. He is not supposed to bother us all the time.

Q. That may be a convenient time for you to furnish us with your regulations—you can direct us to them shortly—and indicate to us what provision there is guarding against undesirable broadcasts? Have you the regulations there?—A. There is a recent amendment to section 90, to which you probably refer, showing the position of the law now as regards regulations of undesirable or desirable programmes.

Q. I want you to provide, if you will, a copy to show what power there is to check in advance what is used on the air, and what regulations there are after that, and who is responsible. Secondly, who is responsible for checking up all programmes that may be complained of as undesirable, and deciding whether they may be repeated or not?—A. So far as the use of the air is concerned, every station manager, private or who own stations, is expected to see that regulation 90 is observed; and if he suspects that there is likely to be a breach of that regulation, to demand copy in advance, to demand the continuity in advance. If there is no reason for such suspicion, we do not annoy the public in that way. For instance, if a public man were going to speak over a station, being brought on by somebody, a gentleman like yourself or Mr. Woodsworth, the station manager would not, under any circumstance, demand your text in advance. If there is reason to suspect—if the person in question has been guilty of an offense on the air before, or has been on the public platform making rather undesirable speeches, then the station manager is expected to look into it in advance.

Q. Now, is that duty covered by your written regulations and instructions to your station manager in Toronto and throughout Canada?—A. Yes.

Q. Perhaps your written instructions to the station manager are not in the record, are they?—A. Yes—the instructions and verbal instructions—

Q. Take first the written instructions. There are the general written instructions which come to the station managers?—A. Yes.

Q. Would you produce them for us so that we shall have them at the next meeting?—A. I can illustrate what I mean by this: just prior to the election campaign, we had regulation 90 printed in both languages in type half an inch long on big cards, and sent to every station in Canada, with instructions to the station that they must observe them.

Q. I understand.

By Mr. Campbell:

Q. Private as well as your own stations?—A. Private stations as well as our own.

By Mr. Slaght:

Q. I shall read regulation 90 to the committee, which was passed on the 12th of August 1935, having regard to what you indicate, the pending election.—A. Yes. It was passed by the privy council, August 31st. It was previously, at the end of the session, approved by the House of Commons unanimously.

Q. So I understand.—A. It then became an order in council six weeks later.

Q. It reads as follows:—

AMENDMENT. No broadcasting station may broadcast any speech, printed matter or programme containing defamatory, libellous or obscene statements with regard to persons or institutions, or statements of a treasonable character or intended to promote change by unlawful means

and which might lead to a breach of the peace, or any advertising matter containing false or deceptive statements.

As I understand it, that was printed and sent to all commission stations and all private stations?—A. All stations in Canada.

Q. In addition to that you are going to produce for us some special instructions to station managers on this subject; is that right?—A. Well, special instructions? I do not know that they took the concrete form of writing, but any station that raised the point with regard to specific broadcasts, a private station or a publicly owned station, was replied to. That is a question that has been asked me on countless occasions, and it took the form of commission letters to individual station managers in Canada.

Q. Now we have here section 90, which is a prohibition against any broadcasting station broadcasting such matter. You tell us that you exercised discretion when applications were made in seeking the text in advance, as I understood you, or not troubling to do so, having regard to some institution or application?—A. Yes.

Q. Are there any written regulations of your commission or any written instructions to station managers which cover his duties as to exercising that discretion of asking for the text in advance or not doing so; or is that a matter entirely left in the air, so to speak?—A. That is a matter of instructions given to all station managers, but they do not consult me on all local problems.

Q. Is there not a written memorandum?—A. When they have ground to suspect that there is going to be a violation of that regulation they should demand the text, and then they should watch the speaker to see that he observes the text, and it is quite easy to cut him out if he attempts to insert something. That is the penalty, cut him off.

Q. Is there any written regulation of that kind, or is it verbal?—A. No, it is purely verbal. We despatch, perhaps, a circular letter telling them to exercise extra caution in connection with certain matters. You will see these circular letters.

Q. They will be produced?—A. We have a complete list here of the circular letters.

By Mr. Dupuis:

Q. You say it is left to the arbitrary interpretation of the manager of any broadcasting station?—A. No.

Q. —to decide?—A. No, not left to the arbitrary decision; but he is expected to see that the law is observed.

Q. Suppose a man wants to broadcast a speech, and the speech is not written before it is delivered, and there is a man in charge of the station who says that the speech is not against peace or good government, or anything of that kind, it is left to the—A. Men have to exercise the very greatest degree of caution in exercising powers. My policy has always been to avoid any arbitrary use of power; but there are things that cannot be tolerated. In political campaigns, things are liable to get out of hand, but men do the best they can.

By Mr. Slaght:

Q. I suppose someone has to have authority to try to enforce in advance the provisions of section 90?—A. Yes.

Q. I suppose, whether it is the local manager, or whether it is passed on to you, one has to do something arbitrarily?—A. If it is a serious question that arises—and they are always arising—it is passed on to me and I deal with it myself.

By Mr. Dupuis:

Q. I say that if a man is appointed manager of a radio station here in Ottawa, or any place else, he is to decide, if I want to make a speech against Mr. King?—A. No.

[Mr. Hector Charlesworth.]

Q. —stating certain facts, he might decide under his arbitrary power that the speech is against peace, order, and good government?—A. No, that rule means that you can criticize public policy, you can criticize Mr. King's speech on a certain question, but you cannot indulge in defamatory statements about him.

Q. I understand. It is very clear now.—A. Our station manager, and station managers generally, except in very small places, are sufficiently familiar with their local situations to exercise judgment. They are useless to us as managers unless they are able to exercise judgment, and cut off, if necessary.

Q. Have you any file— —A. We have had a good deal of that, I think, in your own province, sir, of late, as you know.

Q. Just in my own province?—A. I mean of late.

Q. Have you a file, Mr. Charlesworth, containing letters from local men in charge of stations asking your advice— —A. Oh, yes.

Q. —on allowing a certain speech to be made?—A. Yes, we have lots of them.

Q. Is the advice asked for by phone, or by letter?—A. Sometimes by phone. more frequently by telegram, and a letter follows.

Q. Who decides that, yourself or the commission?—A. I submit those questions to the commission; I issue the order.

By the Chairman:

Q. May I interject a question? Your grounds of suspicion in regard to a speech that is about to be delivered are based on the action of the individual as known to your manager or to the commission?—A. Yes; the reputation of the individual. For instance, I will give you an illustration of that. There was an advertisement appeared in some western city that Tim Buck was going to broadcast—I think at Saskatoon or somewhere—on the unsuccessful attempt to murder him. The government's unsuccessful attempt to murder him. Well, the station manager immediately turned that down and referred the question to me. There has been no attempt to murder him. He could not go on the air. That is an extreme case. There are things that are brought on the air that are unsuspected. The station manager usually knows there is something contemplated.

By Mr. Dupuis:

Q. You do not need article 98 of the Criminal Code?—A. We need that article, because it is our authority—you mean article 98 of the Criminal Code? No, we do not; we are not the Department of Justice.

By Mr. Woodsworth:

Q. Just on that question of Tim Buck—I do not think I shall be accused of any favouritism since he ran against my colleague Mr. Heaps, in North Winnipeg—suppose he offered to come forward, or was a candidate—A. Yes?

Q. —would his general reputation be regarded as such that he would not be permitted to use the air?—A. No. Tim Buck has spoken over our station in Toronto, but on a pledge from him to keep within the regulations.

Q. It was simply with regard to the particular speech about which he was advertised to speak?—A. That particular speech.

Q. It would not preclude him from speaking on any subject?—A. Tim Buck has spoken on the air over our station in Toronto on a pledge, and showing his continuity that he was keeping the law.

MR. McINTOSH: On the basis that every Canadian citizen has the right to broadcast if he fulfills the obligation?

By Mr. Howard:

Q. May I ask this question, Mr. Chairman: were regulations tightened up with regard to the Quebec or Federal elections, or were you following the same principle as in the past?—A. Following the same—there were complaints made by the Prime Minister of Quebec, and Attorney General, Mr. Taschereau, that his rivals who have conducted their broadcasting since the general election, were guilty of defamation; and I could not ignore complaints from Mr. Taschereau. I know he would not deceive me. Therefore, orders were issued to all stations that they should see that regulation 90 came to the attention of all speakers, and that they should be instructed as to that. There were certain speakers there that were a little bit inflammatory; things got very much out of hand a few days before the elections and they were asked to submit their continuity, and certain things were eliminated. We were thanked for that course by the leaders of the Duplessis-Gouin party, because they said they could not always control their fellows and their cause might be ruined by extremists. They were entirely agreeable to that course.

By Mr. Slaght:

Q. You have made it fully clear to us the precautions you take in advance to enforce section 90. Just before we leave that, do I understand you to say that your manager has to enquire into what goes over the air; that is to say, not definitely, but he has to do the checking of what goes over the air?—A. Yes.

Q. Do you make any exceptions? Do you take some people for granted, without knowing what they are going to say, or is it a definite rule of your commission to make sure who is going to use the air, so you may apply tests of character to know whether or not there is likely to be a breach—A. Yes, quite.

Q. That is always done?—A. Yes. That is practically second nature in radio business.

Q. Now who is responsible for seeing that the second nature is always invoked, the local manager, primarily, I understand?—A. The local manager is responsible.

Q. If he does not do it, does he get rapped over the knuckles?—A. He does.

Q. Have you had occasion to rap any knuckles on that score?—A. Well, when we get complaints filed with us we communicate with the station manager either by telegram or otherwise, and ask if these charges are true, and notify them that this must cease. We are doing that every week in the year.

Q. You are doing that every week in the year?—A. Yes.

By Mr. Howard:

Q. Having in mind that statement, Mr. Charlesworth, I should like to mention a matter in connection with the provincial campaign in Quebec. As a listener on the radio says, many times certain people speaking, on reaching certain points, were turned off and turned on by the operator five or six times in a speech, whoever the operator was, under your instructions; and when the same man made his speech again the next night, or the following night, the same thing happened. At certain points he was cut out. That must have been the operator acting entirely on instructions from you?—A. Well yes. I understand certain statements were buzzed out. Speakers were being watched. For instance, if a fellow on the station were calling Premier Taschereau a serpent, which was a favourite expression, the operator buzzed it out.

By Mr. Slaght:

Q. I want to clear up this question. You have given us the measures of precaution in advance. Tell us what your regulations are or the practice you

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follow, assuming that somebody gets away with it. Suppose a speech or a performance on the air is given which is thought to be objectionable. How do you discipline the offender? What precautions are taken to see that he does not repeat it later?—A. If it is part of a series, we send word immediately that this matter must be cleaned up or the broadcast will be cut off the air.

Q. Who do you send that to?—A. To the sponsor, the person responsible. We give authority to the manager. We give the commission authority for that, that the broadcast will be closed off the air unless it is properly cleaned up.

Q. Just on that point, tell me if there is a manuscript kept other than your log, which I shall deal with in a moment. Is a manuscript kept of each performance on the air over commission stations, so that if there is any question about it, it may be submitted to you?—A. Manuscripts are kept in the case of types of broadcasts where they are apt to infringe, especially in connection with patent medicine broadcast advertising, where there are attempts to evade the law and the regulations of the national health department and all that sort of thing. There is a manuscript kept for reference there.

Q. Let me ask you this. I do not find in your regulations anything directing the keeping of manuscripts. Is there anything?—A. No.

Q. So you have not passed regulations?—A. No. It is just a matter of usage.

Q. Do you not think it would be a good idea if manuscripts were kept?—A. Yes, I think it would be a good idea. Of course, your station is liable to get cluttered up with a lot of matter that is of no importance whatever.

Q. Then if there is a broadcast which is part of a series and complaint is made, do you adopt the precaution to keep a manuscript of the rest of the series?—A. If complaint is made we demand a copy, that the manager procure a copy and keep on file a copy of the objectionable broadcast; and if we want it, we send for it ourselves and keep it at Ottawa.

Q. Do you keep these on file at your head office?—A. Yes, we keep them on file.

Mr. DUPUIS: Section 94 of the regulations seems to apply. Regulation 94 reads as follows:—

Each station shall keep on file a copy of: (a) the daily procès-verbal; (b) the continuities of each paid program and announcement, originating at the said station.

Does that cover it?

The CHAIRMAN: That is regulation 94?

Mr. DUPUIS: That is just advertising.

Mr. MASSEY: May I say that that applies primarily to commercial programs.

WITNESS: Yes.

Mr. MASSEY: The advertising sponsor must submit his continuity for approval. If the continuity takes more than the 5 per cent limit, he must cut back that continuity, and a file of that cut back continuity is retained by the station. Apropos of what the chairman of the commission said a few minutes ago in regard to infringement of the rule, if an advertising sponsor does by any chance exceed his 5 per cent limit, for example, the announcer who has cut the commercial may slow up on the broadcast itself and allow us 8 or 10 per cent. That has been done. The client or agent, as the case may be, receives a letter from the commission informing him that his client has infringed the rules and will he kindly see that that does not occur again.

The CHAIRMAN: I think what Mr. Slaght is trying to get from Mr. Charlesworth is this; if there is a broadcast in violation of regulation 90 here, does the commission keep a manuscript?

Mr. SLAGHT: Or objected to by somebody.

The CHAIRMAN: Yes, or objected to by somebody. Does the commission keep a record of the manuscripts, and are they available to the committee. Is that your question?

WITNESS: If we think the matter is important enough we send for the manuscript, or endeavour to find out what the general content was.

By Mr. Slaght:

Q. You told me a moment ago, as I understood it, that you send for it and keep it on file at the head office.—A. Under the file on that particular subject. We do not keep them in bulk. We keep them under that particular subject.

By Mr. Dupuis:

Q. But you are not bound to by your regulations, I understand?—A. No. It is a matter of administration, of practice.

By Mr. Slaght:

Q. You have a section dealing with logging. You might refer to that with me for a moment, if you will. It is on page 15 of the regulations. About two-thirds of the way down is "A the program log," and that is defined as (a) Date, call letters, location, frequency, and so on. Then when we come down to (c) we find the following:—

(c) Entries briefly describing each program broadcast, such as "music," "drama," "speech," etc., with the time of the beginning and ending, so as to give a continuous record of each day's broadcast. If a mechanical reproduction is used, that fact shall be noted, together with an indication whether announcement thereof was made. If a speech is made by a political candidate, the name and political affiliation of such speaker shall be entered.

(d) The name, character, and origin of each program, and announcement, giving the time of commencement and termination of all programs and announcements.

Is that log kept, as a matter of practice?—A. Yes.

Q. By the local station, in each instance?—A. And filed with us; as far as our own stations are concerned, filed at head office also.

Q. A duplicate is kept at the local station and a carbon copy sent to you?—A. Yes. I frequently refer to these logs.

Q. And that would disclose, in a dramatic performance, who took part in it?—A. No, they do not mention any names; they mention the character of the program, that is all.

Q. Do you think it would be a good idea to have a record made of those who use the air?—A. You will see down there further, if a speech is given, the political candidate's name and the political affiliation of such speaker shall be entered.

Q. I mean in a dramatic or so-called dramatic performance?—A. A dramatic or so-called dramatic performance? Well, the record of the performers is in our accounts, you see. We get a bill for so many performances by such and such a singer, and the dates, and we have the record.

Q. Suppose it is a dramatic performance or skit. Do you permit people to use your air without knowing who they are — anonymously?—A. No, not as a rule. If you will look at our original Act, you will see that we are permitted to buy features, and we might buy an ensemble feature.

Q. I am not speaking of something you buy. I am speaking of some people on dramatic performances being used on the air. Do you find it desirable to check up as to who the users are, or do you just take it for granted that they will be all right?—A. Well, we rely on the sponsor. For instance,

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there is the case of the Canadian Legion. We gave them the facilities and time for a national program, and they put on a special dramatic sketch illustrating the life of the soldiers, and various things. I do not know who those performers were. There were some very brilliant dramatic sketches. They were all arranged by Mr. Leslie Chance of the Canadian Legion.

Q. Mr. Woodsworth asked a question the other day with regard to political dramatic or so-called dramatic broadcasts. Perhaps I might round it out for him by asking you whether, in the case of political dramatic or so-called dramatic broadcasts, you are interested in who the people are who use your air?—A. Well, in the case which I think Mr. Woodsworth had in mind we were not. We knew nothing of the broadcast beforehand. But we took a big interest in it afterwards.

Q. Taking a big interest, did you ascertain who the actors were?—A. No, I did not bother specifically to find out who the actors were. I went after the authors and the sponsors. After all, in a play that proves objectionable you go after the author or man responsible for the production, not the person that reads the script.

By Mr. McIntosh:

Q. They could give the participants, could they not?—Yes.

By Mr. Slaght:

Q. Perhaps, if Mr. Woodsworth will permit me to make it more complete for him, unless he wants to do it himself, I might ask you if you did, in the case to which he referred, secure the complete data as to who the alleged actors were engaged in the broadcast?—A. Are you speaking of Mr. Sage?

Q. I think that is the name of the one he mentioned. Did you do that?—A. Well, no, I did not go after the actors until I had gone after the sponsors. Then when I learned that a certain individual had acted in the performance, I said that that man must be taken out or we would—the commission was through with him.

Q. Perhaps we will go into that at a later stage. That is Mr. Woodsworth's matter, and I do not want to trespass. I shall continue my questions with regard to your general information. But before we leave that, I might ask if you have the script of the speeches or drama?—A. I have the script in my grip here, of the original broadcast of Mr. Sage. That is the one that came as a surprise. That is the objectionable one. I have that script here.

MR. SLAGHT: Do you suggest, Mr. Woodsworth, that we should ask for that file?

MR. WOODSWORTH: Yes, I think that ought to come out. That was one of the matters referred to us. That is the reason I brought it out.

WITNESS: I can file this. It comes from the copy department of J. J. Gibbons Agency. It is on their paper. This was impounded and retained by our station. As soon as I learned that this matter was likely to come up before this committee, I endeavoured to secure the subsequent broadcasts which were less objectionable than this, and the J. J. Gibbons agency refused to release them. They took them away with them. It was not broadcast from our station. They made use of a studio. The broadcasting studio was station CFRB of Toronto.

By Mr. Slaght:

Q. Do you not carry network and hookup programs, using commission studios?—A. Yes, a network with commission stations and other stations—network arrangements.

Q. Did that not give you an interest in the matter when you were using commission stations to rebroadcast it?—A. Not merely that, but we had a long—I do not know whether there is time to-day to go into it, but I can tell you the whole history.

Q. No, I am not requesting you to do that at all. I think Mr. Woodsworth may want to proceed with that at a later stage.—A. All right.

By Mr. McIntosh:

Q. Was Toronto the only point at which the Sage broadcast took place?—A. No. That was broadcast on time leased weeks in advance by the Conservative party as a Conservative party broadcast, and was so advertised in the papers. There was a schedule that came out in the papers, "Meet Mr. Sage. Conservative Party Broadcast."

By Mr. Slaght:

Q. Are you accurate in that statement?—A. I am accurate to this extent, that the first I learned—

Q. No, but did the Conservative party adopt it at all?—A. No. But finally I forced the Conservative party to sponsor the broadcast.

Q. And is it your statement that, as a result of your forcing them to, the Conservative party did sponsor the broadcast?—A. Yes, ultimately.

Hon. Mr. CAHAN: If you are going into that, Mr. Chairman, I think we will have to go into it in some detail.

Mr. SLAGHT: Yes. We should not get into that today.

Hon. Mr. CAHAN: As a matter of fact, I think we are proceeding rather irregularly. There should be produced the contract, by whom made, who sponsored it; because that is all a matter of record, contained in written documents or typewritten documents, and those should be produced.

Mr. SLAGHT: I quite agree. If you will note it, Mr. Cahan, I questioned the witness's accuracy in the statement he made and invited him to correct it.

Hon. Mr. CAHAN: He perhaps is not in any position to correct. I think we should get at the original station at which these were produced, and the original contracts made for their production.

Mr. SLAGHT: As far as I am concerned, I quite agree. I will pass from that.

Mr. MASSEY: May I interrupt for just a moment? May I suggest that if there are to be filed documents relative to one particular broadcast, and as that broadcast has not a monopoly on all which was objectionable on the air during the campaign, there should be other documents brought down relative to other broadcasts. I think differentiation is rather unfair. I say that not from the purely party point of view, but trying to act on this committee from the point of view on which this committee is organized, which is to improve broadcasting in the Dominion of Canada. There were other objectionable features on the air during the course of the campaign. Those objectionable features were not confined to one single party. I think I can safely say, without hurting anybody's feelings, that all parties—and there were many parties—released objectionable broadcasts during the course of that campaign. I think if there is differentiation there, it would be unfair.

Mr. WOODSWORTH: I might say that one party did not have a broadcast, so there was nothing objectionable there.

Hon. Mr. MACKENZIE: Mr. Woodsworth cannot get away with that.

Mr. MASSEY: In reply to the hon. member for Winnipeg, I might say that there was a voice on the air in the city of Toronto that occasionally followed some of the more important broadcasts, which was only a voice crying in the

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wilderness. I am not at all sure that some of the statements made on that broadcast were not poisonously objectionable.

Mr. McINTOSH: Some hope it will still be a voice crying in the wilderness.

Mr. MASSEY: I did not go into that.

Mr. SLAGHT: As far as I am concerned, I should like to facilitate the suggestion to this extent: We have been told that a broadcast in which Mr. Woodsworth showed especial interest at the last sitting, and known as Mr. Sage, was objected to, as I understand it.

WITNESS: Yes.

Mr. SLAGHT: And he took special steps. I suggest that perhaps he could lay before the committee at the next session any other broadcasts to which the commission receive objections.

Some hon. MEMBERS: Yes.

Mr. SLAGHT: Any that were objected to, so that we will have them all, no matter where they come from.

Mr. McINTOSH: That will take in all parties?

Mr. SLAGHT: All parties and groups, where objection was filed with the commission.

Mr. EDWARDS: Might I ask that the broadcast immediately following Mr. Sage every evening be included?

Mr. MASSEY: Mr. Chairman, to clear up any possible misunderstanding, I am sure that the hon. member from Winnipeg will not feel that I was contradicting flatly what he said.

Mr. WOODSWORTH: No. I was thinking of the general hook-up.

Mr. MASSEY: I am quite sure that if the hon. gentleman from Winnipeg had heard some of the broadcasts that I did, he would have equal objection.

Mr. WOODSWORTH: Quite so. I was just thinking of the general hook-up in connection with Mr. Sage. May I say a word with regard to one other matter which was brought up. I do not think it is very important; but it was understood that the salaries of the various officials should not be published. Mr. Slaght did question one and published that one. It would seem to me that if one is to be taken out in that way, there is no reason why the whole list should not be published.

Mr. SLAGHT: I would be glad to amend my question by leaving it blank dollars, if that is possible. I have no desire to have it published. I am sure the members of the press will be kind enough not to use that figure.

Mr. CAMPBELL: There is no secret about the matter.

The CHAIRMAN: I think the salaries of all civil servants are public; and they are public to anybody. I do not see why we should treat one differently than we treat another.

Mr. SLAGHT: You will find that in the blue book or official report.

Mr. DUPUIS: I think it should be published.

Hon. Mr. CARDIN: The whole list should be published.

Mr. WOODSWORTH: All I am urging is that if one is singled out, all others should be published.

Mr. SLAGHT: I assure you I have no desire to single out any one, but we had to take a sample and start with the head. If it is agreeable, I shall proceed.

Mr. MASSEY: Do I understand that Mr. Charlesworth has been instructed to bring to the next meeting of this committee the continuity or whatever record there may be, and all documents pertaining thereto, of all the broadcasts to which objection was taken?

Some Hon. MEMBERS: Yes.

Mr. MASSEY: I understood that.

Mr. SLAGHT: I think you should not ask him to go back of June, 1934, the date of the last committee investigation.

Mr. MASSEY: No.

Mr. SLAGHT: I am anxious that we should not get back of that.

Mr. MASSEY: I was referring particularly to the election campaign of last year.

The CHAIRMAN: Yes. I think that is understood, Mr. Massey.

WITNESS: As a matter of fact, I have not got any. The only continuity I sent for was Mr. Sage. The public of Canada took these political attacks on the air very much for granted, and we did not hear any complaints. I did not feel occasion to send for a political speech after it was over and after it had been heard. We did have kicks from the isolated listener, like that coming from the old Tory lady who did not like to hear some Liberal on the air and vice versa, and we had a telegram from Mr. Stevens' organization about a celebrated speech.

By Mr. Martin:

Q. Mr. who?—A. Mr. Stevens. We had various things, but I have really no material to produce. I did not send for anybody else's political speeches at all.

Mr. HOWARD: Mr. Slaght, have you noticed rule 83?

Mr. SLAGHT: Yes.

Mr. HOWARD: When furnishing this information, that ought to be attached to it. Regulation 83 provides that persons having actual knowledge of the facts required shall sign the log when starting duty and again when going off duty.

Mr. SLAGHT: I will direct the chairman's attention to that now.

WITNESS: These logs are signed.

By Mr. Slaght:

Q. Mr. Charlesworth, No. 83 of the regulations, at page 16, reads:—

Each log shall be kept by the person or persons competent to do so, having actual knowledge of the facts required, and who shall sign the log when starting duty and again when going off duty. The logs shall be made available upon request by authorized commission's representatives.

—A. Yes.

Q. Was it the practice to keep these logs as the regulation requires?—A. Yes.

Q. Were they kept in duplicate, did I understand you to say, one at the particular station where the broadcast initiated, and the other sent to head office?—A. One sent to head office; that is, on our own stations. A great many of the privately owned stations send them to us voluntarily. We do not have to send for them.

Q. You would have on your file any logs that we require; we will not have to send out for them?—A. I think so. You see, certain of the larger stations do not send us their logs. For instance, there is a good deal of controversy out in Alberta just now about the use of the air, and I had occasion to send for the logs of the Edmonton Journal station. I have them all there.

Q. Then again, on page 4 of the list of employees at Toronto, we had the station managers. The first one is supervisor of studios, Mr. R. Lucas.—A. Yes.

Q. Who draws a salary which I will not read into the record.

Hon. Mr. CARDIN: You may read it.

The CHAIRMAN: Yes.

Mr. DUPUIS: Why not?

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The CHAIRMAN: I might state, Mr. Slaght, that I think it was agreed by the committee, without it being in the form of a motion, that there was no objection to the information being given in regard to the personnel or the salaries of the personnel.

Mr. DUPUIS: I move that this be put on the record.

Mr. McINTOSH: I will second that.

The CHAIRMAN: Moved by Mr. Dupuis, seconded by Mr. McIntosh, that the list provided by the commission, the salary list, and the names of their employees, be put into the record. All in favour?

Mr. MASSEY: I ask as a matter of information, and hope you will pardon my lack of knowledge—

The CHAIRMAN: Just a minute. Do you want to speak on the motion?

Mr. MASSEY: It was in connection with the publishing of the names. I presume I am in order. There are published in the estimates the salaries of the various employees. But in the list of estimates are the names always published of the individuals holding down the positions?

Hon. Mr. MacKENZIE: They are available to any member of the house.

Mr. MASSEY: They are not published in the newspapers or anything of that sort?

Mr. McINTOSH: That is up to the paper.

The CHAIRMAN: The newspapers can publish them if they see fit so to do.

Mr. MASSEY: It is hardly fair, perhaps, to the employees of the commission and the various stations, and all that sort of thing, to have their salaries published in the daily press, if the other information was not available of a similar character.

WITNESS: These salaries are subject to a 5 per cent cut. That is what the position calls for, but they do not get it.

Mr. McINTOSH: If the newspapers figure it is any news, they will publish it, certainly.

The CHAIRMAN: Are you in favour of the motion?

Mr. PLUNKETT: Did we not understand that this information would be given to the members of the committee and would not be published in the records of the house?

The CHAIRMAN: I might say, Mr. Plunkett, that Mr. Charlesworth was of the opinion that it would not be in the interest of the public or the Radio Commission to publish the names and salaries of these people mentioned in the list here.

WITNESS: I was thinking, Mr. Chairman, more of the very small-salaried man that we have. I was thinking of him more than I was of the higher salaried man. We have some men with very small salaries.

The CHAIRMAN: I do not suppose the press is going to make a special point of publishing the salaries. I do not see how you are going to avoid naming the person or mentioning the salary if you are going to discuss the operations of the different stations. Any member can ask for this in the house and get it.

Hon. Mr. CARDIN: Yes.

Mr. DUPUIS: It is available to the public.

Mr. MARTIN: Why should it not be published?

The CHAIRMAN: Are you ready for the motion that the names of the employees and salaries be put in the record of the proceedings?

Motion agreed to.

By Mr. Slaght:

Q. I am directing your attention now to the gentleman who comes second in seniority, apparently, in Toronto, at station CRCT, who is supervisor of studios: R. Lucas, \$3,500 salary. Apparently his duties are covered by an order in council. Can you conveniently turn to the order in council appointing Mr. Lucas, which is, P.C. 11/2868, and give us briefly his duties?—A. His duties on our book here are defined as follows—

Q. When you say "on our book" what do you mean?—A. We have a book here which gives the duties of every employee on our staff.

Q. Is that as defined in the order in council, or does that differ from the order in council?—A. No. It is a record of our employees. The order in council is here.

Q. Would you first give us his duties as defined by the order in council; and then, if the book differs, give us that.—A. There are no duties defined.

Hon. Mr. CAHAN: Have the order in council placed on the record.

Mr. SLAGHT: Or read the duties from it.

WITNESS: The duties are, "Supervisor of Studios," it says. We have in our own files a more extended account of what is expected of everybody.

By Mr. Slaght:

Q. Does the order in council merely say "Supervisor of Studios"?—A. Yes.

Q. Or does it define what that means?—A. No.

Q. It does not?—A. No.

Q. We have what the order in council says. Now if you will read it, we will have what the book says.—A. Our book says: "Duties, supervising commercial contracts and broadcasts at station CRCT; acting as liaison officer between station CRCT and National Broadcasting Company; that station happens to be an outlet for the broadcasting company for certain of its advertising and some of its sustaining programs; supervising studios and studio staff and related duties as assigned. Then we have a report from the general superintendent. Mr. Bushnell reports: Mr. Lucas might be considered as the office manager of CRCT reporting directly to Mr. Maxted. As he has had experience in professional drama, he assists in the production of programs, particularly those of a dramatic type. He plays the leading role in practically all the major dramatic productions originating at CRCT, such as "Forgotten Footsteps." That is without extra remuneration. He gives his services as an artist as well as those other duties.

Q. What does the "R" stand for in Mr. Lucas's name?—A. Rupert.

Q. Does he play leading roles in dramatic productions?—A. Yes. Acting is his hobby. There is no obligation on him to do so, but he likes to.

Q. Do you say that is without any additional remuneration under the program of disbursements?—A. No additional remuneration to him. He has had organization of certain programs. He likes to act.

Q. Does he appear in political broadcasts with your approval?—A. I learned that he was —no, not with our approval; with our entire disapproval. If you are alluding to the Mr. Sage matter, he was lured into that.

Q. I was not alluding to that especially; I was inquiring just on the general principle as to whether he does.—A. Not as a rule; not in commercials at all. He likes to play heroic leads, especially in dramatizations of things like *The Scarlet Pimpernel*. He is a very fine romantic actor. He is an amateur. He has never been on the professional stage. He is one of those beautiful elocutionists.

Q. Is he a full-time employee at \$3,500?—A. Yes.

Q. How many hours would that mean?—A. Possibly 16 to 18 hours a day. He is not there all the time. They generally arrange among themselves.

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Q. Does he do outside work for remuneration with the approval of the commission?—A. I beg your pardon?

Q. Does he do outside work for remuneration with the permission of the commission?—A. No, I do not know that he does any outside work at all. He attends church and puts on a Good Friday passion play, or something of that sort.

Q. That is a contribution to the church?—A. Yes; but nothing—

MR. SLAGHT: It is one o'clock now, Mr. Chairman.

THE CHAIRMAN: Gentlemen, before we disperse I should like you to settle a matter. At the last meeting of the committee, it was decided that we would grant the request of the Canadian Press who wish to present a brief or memorandum to the committee. Is it the wish of the committee that we shall hear the Canadian Press at the next meeting?

MR. McINTOSH: Will they take the whole morning?

THE CHAIRMAN: No; I think Mr. Charlesworth should be here at the next meeting. I think it was agreed at the last meeting that we should hear the Canadian Press on Tuesday morning. Is that agreeable?

Agreed.

The committee adjourned to meet Tuesday, April 7th, 1936 at 11 a.m.

APPENDIX NO. 1

CANADIAN RADIO BROADCASTING COMMISSION

OFFICIAL POSITION LIST ARRANGED BY LOCATION

HEADQUARTERS

<i>Position</i>	<i>Incumbent</i>	<i>Date of Appt.</i>	<i>Salary Rate</i>	<i>Authority</i>
Chairman	H. Charlesworth	Oct. 31/33	\$10,000 00	P.C. 2217
Vice Chairman	C. A. Chauveau	Aug. 17/35	8,000 00	P.C. 2414
Commissioner	W. A. Steel	Jan. 17/33	8,000 00	P.C. 2217
Station Manager	W. E. Powell	Apr. 1/33	3,600 00	P.C. 6/1405
Director of Publicity	E. C. Buchanan	Feb. 15/33	5,800 00	P.C. 1053
Super. Station Relat's	E. W. Jackson	Apr. 1/33	4,000 00	P.C. 6/1405
Commercial Director	J. A. Dupont	Apr. 1/33	5,000 00	"
Senior Station Manager	E. L. Bushnell	Nov. 1/33	5,200 00	P.C. 113/2102
Regional Program Dir.	G. A. Taggart	Oct. 25/33	2,700 00	"
"	K. A. MacKinnon	Nov. 1/33	3,000 00	"
Continuity Writer	R. E. Snelyd	Nov. 1/33	1,700 00	"
Accountant	M. Peterkin	Sept. 15/33	1,200 00	"
Senior Radio Engineer	G. W. Olive	Apr. 1/33	4,800 00	P.C. 6/1405
Radio Engineer, Cl. II.	J. A. Ouimet	Nov. 26/34	2,000 00	P.C. 113/2102
Chief Broad. Operator	E. C. Finlay	Apr. 1/33	2,400 00	P.C. 6/1405
Asst. Broad. Operator	C. E. Stiles	Nov. 8/33	1,540 00	"
Radio Electrician	R. D. Cahoon	Mar. 15/33	1,800 00	P.C. 113/2102
Jr. Radio Electrician	J. E. Hayes	Jan. 13/36	1,000 00	P.C. 4/49
Jr. Radio Electrician	G. C. Gould	Nov. 1/33	1,000 00	P.C. 113/2102
Maintenance Man	J. W. Houghton	Oct. 30/33	1,000 00	"
Broadcast Inspector	H. Chevrier	Oct. 1/33	2,000 00	P.C. 6/1405
Announcer	A. Seguin	Jan. 1/34	1,600 00	P.C. 113/2102
Publicity Helper	F. H. Wooding	Apr. 1/35	90 00	P.C. 2/1597
Script Writer	Horace Brown	Apr. 1/35	(per month) 30 00	"
Acoustical Engineer	D. G. McKinstry	Sept. 1/35	(per week) 2,280 00	P.C. 11/2868
Radio Engineer, Cl. I	H. M. Smith	Sept. 1/35	3,420 00	"
Secretary	R. P. Landry	Feb. 18/33	5,000 00	C.S.C. Cert. and P.C. 8/2056
Arch. Draughtsman	A. A. Bourke	Mar. 25/33	1,500 00	C.S.C. Cert.
Clerk, Grade 2	S. Schnobb	Nov. 23/34	1,080 00	"
Clerk, Grade 2	J. H. Cole	Apr. 15/35	1,080 00	"
Stenographer, Gr. 2	J. Danis	Apr. 11/33	1,080 00	"
"	Y. Gagnon	Jan. 31/34	1,080 00	"
"	P. Charbonneau	Oct. 4/34	1,080 00	"
"	I. Kirby	Nov. 3/32	1,080 00	"
"	C. McAskin	June 17/33	1,200 00	"
"	F. McAuley	Feb. 1/33	1,080 00	"
"	B. O'Brien	Apr. 1/33	1,380 00	"
"	R. H. O'Halloran	Sept. 18/33	1,080 00	"
"	M. C. Lynch	Feb. 6/35	1,080 00	"
"	M. Spence	May 8/35	1,080 00	"
Stenographer, Gr. 1	M. Bance	Nov. 5/35	720 00	"
Typist, Gr. 2	O. Favreau	Feb. 1/35	1,080 00	"
Office Boy	P. Palef	Dec. 18/35	600 00	"

The loan of the following permanent employees of various departments was arranged by the Civil Service Commission pursuant to Staff Control Regulations; the date indicated is the date from which the loan was effective:—

Clerk, Grade 4	J. A. Leetham	Apr. 10/33	\$1,920 00	On loan
" " 4	W. R. Mortimer	June 30/33	1,740 00	"
" " 4	G. W. Richardson	Sept. 22/33	1,800 00	"
" " 3	G. Paradis	Nov. 6/33	1,620 00	"
" " 2	H. W. Gibson	May 1/33	1,140 00	"
Stenographer, Gr. 2	G. Appleby	July 5/33	1,380 00	"
" "	A. G. Gillespie	June 30/33	1,380 00	"

HALIFAX STUDIOS

Position	Incumbent	Date of Appt.	Salary Rate	Authority
Maritime Regional				
Program Director	J. F. Willis	Nov. 1/33	\$3,000 00	P.C. 113/2102
Stenographer, Gr. 1	G. M. Duff	Feb. 2/34	720 00	C.S.C. Cert.
Asst. Broad. Operator ..	L. A. Canning	Apr. 1/35	25 00	P.C. 2/1597
(Part time)			(per week)	

STATION CRCK, QUEBEC

Supervisor of Studios ..	A. H. Houde	Sept. 9/34	2,400 00	P.C. 7/1235
Broadcast Operator	L. Ducharme	Sept. 1/33	2,100 00	"
Continuity Writer	V. Prevost	Oct. 1/34	1,800 00	"
Announcer	G. Arthur	Jan. 27/35	1,800 00	"

STATION CRCM, MONTREAL

Clerk, Grade 4	H. Butler	Oct. 9/33	1,740 00	C.S.C. Cert.
Broadcast Operator, Gr. 2 ...	Y. L. Rivet	Dec. 11/33	1,200 00	On loan
Chief Broad. Operator..	W. A. Reid	Apr. 1/33	2,400 00	P.C. 6/1405
Broadcast Operator	E. D. Roberts	Apr. 1/33	2,100 00	"
Asst. Broad. Operator ..	G. Hudon	Nov. 1/34	1,340 00	"
Radio Electrician	C. Denoncourt	Nov. 25/33	1,540 00	P.C. 113/2102
Superv. French Press ...	L. Houle	Oct. 11/33	4,000 00	"
Junior Announcer	M. Gagnon	July 1/35	25 00	P.C. 10/2056
(Bilingual)			(per week)	
Musical Director	J. J. Gagnier	Apr. 1/35	70 00	P.C. 2/1597
			(per week)	
Music Librarian	Alice Myette	Apr. 1/35	30 00	"
			(per week)	
Announcer	J. Desbaillets	Apr. 1/35	45 00	"
			(per week)	
"	H. R. Pelletier	Apr. 1/35	45 00	"
			(per week)	
"	W. L. Charland	Apr. 1/35	35 00	"
			(per week)	
"	P. Leduc	Apr. 1/35	25 00	"
			(per week)	
"	M. Gendron	Oct. 1/35	35 00	P.C. 1/3206
			(per week)	
Continuity Assistant ...	Alberta Smith	Apr. 1/35	90 00	P.C. 2/1597
			(per month)	
" "	C. Salvietti	Apr. 1/35	90 00	"
			(per month)	

STATION CRCO, OTTAWA

Station Manager	Chas. Shearer	May 15/33	\$4,000 00	P.C. 6/1405
(Broad. Super.)				
Chief Broad. Operator ..	H. E. S. Hamilton	May 15/33	2,400 00	"
Broadcast Operator	R. K. Anderson	Apr. 1/33	2,100 00	"
Asst. Broad. Operator ..	S. Howker	Apr. 1/33	1,800 00	"
" " "	J. A. Pickard	Apr. 1/33	1,800 00	"
" " "	J. T. Carlyle	Apr. 1/33	1,800 00	"
Maintenance Man	T. C. R. Walsh	Jan. 25/35	1,350 00	P.C. 1/1597
" "	J. Desautels	Apr. 1/35	25 00	P.C. 2/1597
			(per week)	
Announcer (Apprent'e) ..	S. S. Brown	Apr. 1/35	23 00	"
			(per week)	
" "	R. Anderson	Apr. 1/35	20 00	"
			(per week)	
" "	H. H. F. May	Sept. 1/35	23 08	P.C. 4/49
			(per week)	

STATION CRCT, TORONTO

Station Manager and Regional Program Director, Ont.	Stanley Maxted	Sept. 1/35	\$4,750 00	P.C. 11/2868
Supervisor of Studios ..	R. Lucas	Sept. 1/35	3,500 00	"
Music Librarian	E. Meisner	Sept. 1/35	1,080 00	"
Music Arranger	L. Waisman	Apr. 1/35	35 00	P.C. 2/1597
			(per week)	
Telephone Operator	W. G. Milne	Sept. 1/35	1,380 00	P.C. 11/2868
Broad. Service				

SPECIAL COMMITTEE

STATION CRCT, TORONTO—Concluded

Position	Incumbent	Date of Appt.	Salary Rate	Authority
Telephone Operator	D. I. King	Sept. 1/35	720 00	"
Broad. Service				
Telephone Operator	B. E. Deacon	Sept. 1/35	900 00	"
Broad. Service				
Traffic Clerk	T. W. Baker	Sept. 1/35	1,500 00	"
Broadcast Operator	F. J. Garrod	Sept. 1/35	1,800 00	"
"	J. N. Mogridge	Sept. 1/35	1,800 00	"
Asst. Broad. Operator	J. A. Spalding	Sept. 1/35	1,800 00	"
"	C. W. Speer	Sept. 1/35	1,800 00	"
"	S. J. Demert	Nov. 1/35	1,800 00	P.C. 4/49
"	J. A. Murphy	Nov. 1/35	1,620 00	"
"	H. J. Symes	Nov. 1/35	1,500 00	"
"	M. J. Werry	Sept. 1/35	1,320 00	P.C. 11/2868
Chief Announcer	C. Jennings	Sept. 1/35	46 15	P.C. 4/49
Senior Announcer	H. G. Walker	Sept. 1/35	(per week) 32 30	"
Announcer	E. Morgan	Sept. 1/35	(per week) \$ 28 84	"
"	J. Kannawin	Sept. 1/35	(per week) 28 84	"
"	Norman Lucas	Sept. 1/35	(per week) 28 84	"
Janitor	E. W. Burke	Sept. 1/35	1,140 00	P.C. 11/2868
District Pub'y Agent ...	H. M. Ball	Sept. 24/33	2,000 00	P.C. 6/1405
Stenographer, Gr. 3 ...	C. Wares	Oct. 9/33	1,620 00	C.S.C. Cert.
"	E. M. Slatter	Sept. 1/35	1,200 00	"
"	N. I. Storey	Sept. 1/35	780 00	"

STATION CRCT, BOWMANVILLE (Transmitter)

Radio Engineer, Cl. 3 ..	W. A. Shane	May 15/33	2,500 00	P.C. 6/1405
Asst. Broad. Operator ..	A. R. McDonald	May 15/33	1,800 00	"
"	K. O. Foster	May 15/33	1,800 00	"
"	C. E. Bounsall	May 15/33	1,800 00	"
"	L. S. Morley	May 15/33	1,800 00	"
"	H. C. Allin	May 15/33	1,800 00	"
Maintenance Man	E. G. Brown	May 15/33	1,350 00	"

STATION CRCW, WINDSOR

Station Manager	Vacant		3,600 00	
Announcer	P. Aylen	Apr. 1/33	1,800 00	P.C. 6/1405
"	T. O'Dell	Nov. 1/35	25 00	P.C. 4/49
"	G. Gluns	Nov. 1/35	(per week) 20 00	"
Asst. Broad. Operator ..	M. Gilbert	Sept. 1/35	(per week) 1,500 00	P.C. 11/2868
"	A. W. Holmes	Nov. 1/35	1,320 00	P.C. 4/49
Stenographer, Gr. 2 ...	J. H. Murphy	Jan. 24/35	1,080 00	C.S.C. Cert.

STRATHBURN FREQUENCY MONITORING STATION

Radio Engineer, Cl. 2 ..	W. G. Richardson	July 1/35	2,100 00	P.C. 10/2056
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REGINA

Western Regional Program Director	H. N. Stovin	Oct. 19/33	\$3,000 00	P.C. 113/2102
Stenographer, Gr. 2	C. Maclin	Nov. 13/33	1,080 00	C.S.C. Cert.

STATION CRCV, VANCOUVER

Station Manager	J. R. Radford	Jan. 1/35	3,600 00	P.C. 3/1597
Chief Broad. Operator ..	F. B. C. Hilton	Jan. 1/35	2,400 00	"
Station Manager	J. G. McMurtrie	Jan. 1/35	2,400 00	"
(Transferred from H.Q. to CRCV as Broadcast Operator, Sept. 1/35)				
Asst. Broad. Operator ..	D. Claringbull	Apr. 16/33	1,800 00	P.C. 6/1405
Maintenance Man	G. A. Humphries	Apr. 1/33	1,350 00	"
Stenographer, Gr. 2	D. A. Yeomans	Sept. 1/33	1,080 00	C.S.C. Cert.

March 31, 1936.

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SESSION 1936
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, APRIL 7, 1936

WITNESSES:

Mr. W. B. Preston, Chairman, Canadian Press (Brantford Expositor).

Mr. J. F. B. Livesay, General Manager, Canadian Press, Toronto.

Mr. E. Norman Smith, Vice-President, Canadian Press (Ottawa Journal).

Mr. Hector Charlesworth, Chairman, Canadian Radio Commission, Ottawa.

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1936

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

TUESDAY, April 7, 1936.

The Special Parliamentary Committee on Radio matters met at 11 o'clock this day, the Chairman, Mr. Beaubien, presiding; the following members of the Committee were present:

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Cahan, Campbell, Cochrane, Edwards, Howard, Howe, Johnston (*Bow River*), McIntosh, Martin, Massey, Plunkett, Ryan, Slaght and Woodsworth—17.

In attendance: Representatives of the Canadian Press; *Messieurs:* W. B. Preston, Chairman (Brantford Expositor); Senator W. A. Buchanan (Lethbridge Herald); E. T. Archibald (Montreal Star); Oswald Mayrand (La Presse, Montreal); V. A. McNeil (Montreal Gazette); E. Norman Smith (Ottawa Journal); W. Rupert Davies (Kingston Whig-Standard); J. F. B. Livesay, General Manager, R. K. Carnegie, Parliamentary Supt., The Canadian Press.

Also in attendance: Mr. Charlesworth, Chairman, Commissioner Steel and several other officers of the Canadian Radio Commission.

Also present: Officers of the Radio Branch, Department of Marine, and others concerned in radio matters.

The Chairman submitted the following list of letters received up to and including to-day's date, viz:—

1. Mrs. George Lumley, Ash Grove, Aubernton, Sask. March the 28th.
2. Mr. P. F. Focht, Quinton, Sask. March the 28th.
3. Mr. Watson Bair, 20 Shirley Ave., Moncton, N.B. March the 28th.
4. Mr. Roland E. Redmonds, Syke St., Meaford, Ont. March the 30th.
5. Mr. C. Lamb, R.R. No. 1, Kelso, Sask. March the 30th.
6. Hon. W. J. Major, Attorney General, Winnipeg, Man. March the 31st.
7. Mr. R. W. Ashcroft, C.P.R. Building, Toronto, Ont. March the 31st.
8. Mr. J. J. Moncrieff, The Winnipeg Tribune, Winnipeg Man. March 31st.
9. Mr. D. Swailes, Sec.-Treas., Winnipeg Musicians' Association, Winnipeg, Man. April the 1st.
10. Mr. Henri Miro, 1233 MacKay St., Montreal, Que. April the 3rd.
11. Mr. Paul Coffey, Sec.-Treas., Young Men's Canadian Club, Montreal, Que. April the 3rd.
12. Mr. George Christie, Eckville, Alta. March the 27th.
13. Mr. Arthur Richford, 443 Kinistino, Crescent Hill, Sask. March the 30th.
14. Madame Laurence Lavoie Durieux, 5603 Bordeaux, Montreal, Que. April the 3rd.
15. Mr. J. Evims, Hinchliffe, Sask. April the 3rd.
16. J. A. Fugère, Priest, Amos, Que. April the 1st.
17. Mr. Phil. Lalonde, 980 Ste-Catherine St., Montreal, Que. April the 3rd.
18. Mr. W. W. Lindley, Semans, Sask. March the 30th.
19. Cercle St-Jacques de l'A.C.J.C., Causapsca, Que. April the 2nd.

Mr. Charlesworth, for the Radio Commission, submitted the following, viz:—

1. Recommendation submitted by Mr. Thomas Maher to the Chairman, Parliamentary Committee on Radio Broadcasting, 1934, and to the Rt. Hon. R. B. Bennett, Prime Minister, on national broadcasting in Canada, May, 1934. (Ex. 8).

2. Copies of correspondence—

(a) Between the Comptroller of the Treasury and the Canadian Radio Broadcasting Commission.

(b) Between the Auditor General and the Canadian Radio Broadcasting Commission. (Ex. 9).

3. Twenty-five copies of P.C. 11/2868, dated September 16, 1935, authorizing appointment of certain staff at Station CRCT, Toronto. (Ex. 10).

4. Twenty-five copies of instructions to Station Managers *re* observance of Article 90, as amended, of Rules and Regulations Canadian Radio Broadcasting Commission. (Ex. 11).

5. Copy of poster, with covering letter, sent to Station Managers, *re* Article 90. (Ex. 12).

6. Twenty-five copies of list of national institutions, universities, societies, clubs, etc., and Departments of Dominion and Provincial Governments, provided free time for broadcast purposes. (Ex. 13).

7. Schedule of station rates for commercially sponsored programs. (Ex. 14).

8. Schedule of network broadcasts, Conservative Party, 1935. (Ex. 15).

9. Schedule of network broadcasts, Liberal Party, 1935. (Ex. 16).

10. Schedule of network broadcasts, Co-Operative Commonwealth Federation, 1935. (Ex. 17).

11. Schedule of network broadcasts, Reconstruction Party, 1935. (Ex. 20).

Hon. Mr. Howe presented a statement of complaints, as referred to at the previous meeting; same to be placed in the record. (Incorporated in this day's evidence).

The Chairman informed the Committee that he had received some communications in the form of short briefs, and would like to have the opinion of the Committee with respect to the disposition of them; whether they should be printed in the record, or merely listed amongst other communications received, in the Minutes of Proceedings.

After some discussion, Mr. Edwards moved, seconded by Mr. Plunkett, that briefs from organized bodies be printed in the record.

After further discussion, Mr. Edwards withdrew his motion, and on motion of Mr. Massey, seconded by Mr. Howard, it was

Ordered: That a brief précis be made of such communications, and entered in the Minutes of Proceedings; then placed in the hands of the sub-committee on agenda for decision as to a further disposition of same.

A brief summary follows:

A letter, somewhat in the form of a brief, from Mr. Watson Baird, of Moncton, N.B. (above listed as No. 3, list of communications), praising the Commission for its many improvements, and offering various suggestions for still further improvement. Advocating a more general knowledge of both languages in Canada.

A letter in the form of a short brief, from Mr. J. J. Moncrieff, of the Winnipeg Tribune, formerly a conductor of a large choral organization of 250 members, advocating a great orchestra for Canada, as a National Orchestra, including the finest talent to be procured in Canada, on the lines of the BBC in the British Isles. (This communication is listed above as No. 8.)

Comments submitted by Mr. D. Swailes, Secretary-Treasurer of the Winnipeg Musicians' Association, suggesting that the operations of the Canadian Radio Commission have resulted in increased unemployment for Canadian musicians; gives his reasons. He advocates the inclusion of a competent, outstanding musician in a new radio organization, and suggests that their organization of professional musicians should be invited to sit in joint conference with the national radio organization, to organize musical broadcasts. (This communication is listed above as No. 9.)

Recommendations from the United Farmers of Canada, signed by Mr. Frank Eliason, Secretary, That the Commission continue as a publicly owned utility, making 12 additional recommendations for its improvement.

Long letter from Mr. J. Norman Robertson, of Vancouver, B.C., who states he has had an application for a considerable time before the Department of Marine and Radio Commission, for the installation and operation of a 15,000 Watt Broadcasting station, in Vancouver. The reason given for refusal to his request, thus far is, he states, due to lack of an available channel. The representation is of considerable length; a proper summary cannot very well be made in the Minutes of Proceedings.

Mr. W. B. Preston, President, Canadian Press, called, submitted the representations of the Canadian Press, and was questioned at length.

Printed memoranda were supplied by the Canadian Press, and handed to each member of the Committee present.

The witness retired.

Mr. J. F. B. Livesay, General Manager, Canadian Press, called and addressed the Committee, and answered numerous questions.

The witness retired.

By request, Commander C. P. Edwards, Director of Radio, Department of Marine, read a prepared statement of Stations licensed for reception of Press messages, 1935-36.

(Incorporated in this day's Minutes of Evidence.)

Mr. E. Norman Smith, Vice President, Canadian Press (Ottawa Journal) addressed the Committee, giving his views regarding overseas foreign news, United States news and Canadian news.

The witness retired.

Mr. Charlesworth recalled. He submitted a statement prepared by Mr. Buchanan, Director of Publicity for the Commission, giving a summary of complaints and commendations that have come in to the Commission. A copy of same was distributed to each member of the Committee.

The witness was examined briefly in connection with Canadian Press broadcasting. It being one o'clock, the witness retired.

The Chairman asked for a decision of the Committee as to the next day of meeting after the Easter recess. After discussion it was decided to meet on Thursday, April 23, at 11 o'clock.

The Committee adjourned.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

OTTAWA, April 7, 1936.

The special committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 11 a.m., the Chairman, Mr. A. L. Beaubien, presiding.

The CHAIRMAN: Gentlemen, we have a quorum now, and if you will come to order we shall begin our meeting. At the last meeting of the committee the chairman of the commission was asked to produce certain files and documents. This list has been handed to me, which I shall read. It is as follows:—

LIST OF DOCUMENTS SUBMITTED TO SPECIAL COMMITTEE OF HOUSE OF COMMONS ON RADIO BROADCASTING — ON APRIL 7, 1936

1. Recommendation submitted by Mr. Thomas Maher to the Chairman, Parliamentary Committee on Radio Broadcasting, 1934, and to the Rt. Hon. R. B. Bennett, Prime Minister, on national broadcasting in Canada, May, 1934.

2. Copies of correspondence—

(a) Between the Comptroller of the Treasury and the Canadian Radio Broadcasting Commission;

(b) Between the Auditor General and the Canadian Radio Broadcasting Commission.

3. Twenty-five copies of P.C. 11/2868, dated September 16, 1935, authorizing appointment of certain staff at Station CRCT, Toronto.

4. Twenty-five copies of instructions to Station Managers *re* observance of Article 90, as amended, of Rules and Regulations Canadian Radio Broadcasting Commission.

5. Copy of poster, with covering letter, sent to Station Managers *re* Article 90.

6. Twenty-five copies of list of national institutions, universities, societies, clubs, etc., and Departments of Dominion and Provincial Governments, provided free time for broadcast purposes.

7. Schedule of station rates for commercially sponsored programs.

8. Schedule of network broadcasts, Conservative Party, 1935.

9. Schedule of network broadcasts, Liberal Party, 1935.

10. Schedule of network broadcasts, Co-operative Commonwealth Federation, 1935.

11. Schedule of network broadcasts, Reconstruction Party, 1935.
Explanatory—

1. The Commission has no record of any memorandum prepared by any one member of the Commission concerning Major Gladstone Murray.

2. Complaints and objections to broadcasts in Dominion election campaign are on Files No. 4-2-14, and No. 4-2-22, submitted to Committee on April 2, 1936.

3. The Commission allows a discount of 33½ per cent on church services broadcast by stations operated by the Commission.

Mr. Howe, the minister, has just handed me a statement of the complaints received, which will be put into the record unless you want me to read it now. I do not wish to take the time to do it unless you wish it read. It will be printed in the record.

STATEMENT FILED WITH SPECIAL COMMITTEE ON THE
CANADIAN RADIO COMMISSION, 1936, BY THE
MINISTER OF MARINE, OTTAWA

COMPLAINTS AND COMMENDATIONS RECEIVED IN THE DEPARTMENT OF
MARINE CONCERNING CANADIAN BROADCASTING AND THE CANADIAN
RADIO BROADCASTING COMMISSION BETWEEN JUNE 28,
1934 AND APRIL 6, 1936

(These communications were referred to the Radio Commission, as received.)

I. Complaints—Total: 262.

(1) Against Programs broadcast: 50:—

- (a) Too much French—13 complaints.
- (b) Not enough French—8 complaints.
- (c) Quality of programs broadcast—29 complaints.

(2) Interference: 69:—

- (a) Between Canadian stations—6 complaints.
- (b) United States stations interfering with Canadian stations—29 complaints.
- (c) Mexican stations interfering with Canadian stations—30 complaints.
- (d) Canadian stations interfering with United States stations—4 complaints.

(3) Poor reception of Canadian stations: 118.

(4) Wavelengths assigned to Canadian stations: 18.

(5) General, unclassified: 7.

II. Commendation: 8.

Eight letters of commendation of work of Commission.

I have received quite a lot of correspondence. Some of it is in the form of a brief or memorandum, and some is just in the form of a letter setting out complaints or just making suggestions. I should like to have your advice with regard to it.

Mr. McINTOSH: Are those briefs lengthy?

The CHAIRMAN: They are not very lengthy, but the secretary of the committee informs me that it is usual for these briefs to be printed in the proceedings so that those who send the briefs will know that they have been given full consideration, the members being made acquainted with the contents by that means. What is the wish of the committee in that regard?

Mr. RYAN: Could you give us an idea as to where they come from?

The CHAIRMAN: I can give you the details. Some are from Saskatchewan, from the United Farmers of Saskatchewan.

Mr. McINTOSH: Would you print all of those briefs?

The CHAIRMAN: They are not very voluminous.

Mr. McINTOSH: Or would the sub-committee read them first and decide whether they are worth printing?

The CHAIRMAN: It is up to the committee. I am just asking what you want to do. I might state that the sub-committee has not been able to meet on account of the fact that the members belonging to it have been so busy. Some of the ministers are on the sub-committee.

Mr. BERTRAND: I think the sub-committee should read them first and decide whether they should be printed. There might be two or three briefs on the same question.

Mr. McINTOSH: I think the sub-committee should peruse them first, and then you will know where you are at in regard to publishing them.

Mr. RYAN: Mr. Chairman, I have every confidence in the sub-committee. At the same time there is nobody on it from the Maritime Provinces, and they might leave out certain matters that those provinces might consider important. I would prefer to see them printed, if possible.

The CHAIRMAN: I might state that they are not very voluminous.

Mr. McINTOSH: I think, if there is anything of importance in them, they should be printed. That is my idea. But there might be one or two, when you came to read the contents, that might not be worth printing.

Mr. EDWARDS: I move that they all be printed in the record.

Mr. PLUNKETT: I second that motion.

Mr. EDWARDS: That is, providing they are not going to be too long.

Mr. SLAGHT: Before you put that motion, Mr. Chairman, I should like to say a word. I am afraid that will let you in for some very voluminous printing as the weeks go by. While I think the sub-committee should have the right to reject any brief that is put forward, I would make the suggestion that all briefs be listed as they come in, showing who they are from and what topic they deal with, and that this list be shown in our day's proceedings. Then we can read that before the next meeting. I would suggest that they all be available, in the hands of the clerk, to all members of the committee. Then at some later stage it may be decided by someone as to what shall be printed and what shall not. There is the possibility that you might get a brief from an individual away back somewhere that was 50 pages long and which dealt with some little matter with respect to his own station but which was not of national concern. It seems to me that it is a little bit dangerous to put on record now the motion for the printing of all briefs that might reach us.

Mr. WOODSWORTH: It seems to me that the suggestion is a very good one, if we could have it enlarged a little bit, and have a précis given; that is, complaint with regard to such and such. Then anyone who is interested can turn up the original brief and follow it up. That would be about all any of us would get read anyway. We are interested in this, that or the other thing; and as long as we had it available on the table, as it were, it would be all right.

Mr. PLUNKETT: What are you going to do if there is the statement made that some were printed and some were not? It seems to me that the only open way is to print all or none at all.

Mr. EDWARDS: We can decide that later.

Hon. Mr. HOWE: In any event, they will all be laid on the table.

Mr. EDWARDS: So long as they are all available, I am not so fussy about them being printed, if they are voluminous.

The CHAIRMAN: I might inform you that they will all be available, because I intend to put them in the hands of the clerk of the committee. Any member will be able to peruse them at any time he may wish. They will be listed so that any member of the committee may consult them with ease.

Mr. MASSEY: Might it not be desirable to print the source or origin and a very concise digest of the contents, so that if it is of interest to any one member of the committee to see that particular brief, he will know where he is at?

If you just say it is by such and such a person, it may deal with matters that are not worth his while, and he has to read a lot of matter to no purpose. I think a digest should be added as to what they deal with.

The CHAIRMAN: Do you withdraw your motion, Mr. Edwards?

Mr. EDWARDS: Yes.

Mr. MASSEY: I will make that suggestion of mine in the form of a motion.

Mr. HOWARD: I will second that.

Motion agreed to.

The CHAIRMAN: At our last meeting, gentlemen, it was decided that the Canadian Press would be given the right of way this morning, and we have representatives here from the Canadian Press. I understand that Mr. Preston is going to present the brief. Is it your pleasure that I should call on Mr. Preston?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Will you come forward, Mr. Preston? I might say that we are going to distribute to the members of the committee a copy of the brief which the Canadian Press is presenting and which is headed "News on the Air."

WILLIAM B. PRESTON, President of the Canadian Press, called.

WITNESS: Mr. Chairman, members of the Radio Committee and gentlemen: Firstly, let me say that, as representatives of the Canadian Press, we are very much indebted to you indeed for this opportunity of making a very brief representation on the subject of "News on the Air." Before I proceed with that, however, I should like to take the opportunity of introducing to you my colleagues on this radio committee which was appointed by the board of directors of the Canadian Press at a recent meeting. I might say that, owing to the great distance involved, we were unable to bring the entire committee with us to-day, some of them being as far away as Vancouver and some in the east in St. John. But we have about half of the committee; and as their chairman, I shall introduce them, asking the members to stand as I call them out, so that they may be seen.

First, there is Mr. Norman Smith, of the *Ottawa Journal*; Senator Buchanan, with whom you are all familiar; Mr. Maynard, of *La Presse*, Montreal; Mr. McNeil, of the *Montreal Gazette*; Mr. Archibald, of the *Montreal Star*; Mr. Davies, of the *Kingston Whig-Standard*; Mr. Livesay, manager of the Canadian Press; and Mr. Carnegie, the parliamentary representative of the Canadian Press, as well.

I do not suppose it is at all necessary for me to introduce to you or make you acquainted with the Canadian Press. I do wish, however, to distinguish in your minds between the Canadian Press and the Canadian Daily Newspaper Association. The Canadian Daily Newspaper Association is the business organization of the Daily Publishers of Canada. The Canadian Press is the great news-gathering and distributing association of the daily publishers of this country. The Canadian Press is in this country what the Associated Press is in the United States, what Reuters is in England; and we hope that you will agree with us when we say that it is supplying the people of this country with a very efficient news service. Through its own representatives at London and at Geneva, and through the efforts of its allies,—the Associated Press in New York, Reuters in London and the Havas Agency in Paris—it covers the news from the four corners of the world. In Canada, by a system of leased telegraph wires running from one end of the country to the other, from Halifax to Victoria, it gathers and distributes,

[Mr. W. B. Preston.]

through the co-operation of its publisher members, the daily newspapers of this country, a very complete domestic news service, the accuracy and the impartiality of which, I think, is very generally recognized throughout the entire dominion.

I have no thought in the world of recounting to you a history of the Canadian Press; but perhaps it is well that I should recall just for a moment the fact that the Canadian Press was created in 1917 through the nationalization of all the independent news agencies of the dominion by Act of Parliament. This Act of Parliament made a grant to the Canadian Press of \$50,000 per annum, to assist that organization in bridging, in a news sense, those great gaps between Saint John, New Brunswick and Quebec, between Ottawa and Winnipeg and between Calgary, and Vancouver over the mountains. This grant of \$50,000 was continued until 1924 when, at the request of the Canadian Press, it was abolished. The members of the Canadian Press felt, at that time, that the acceptance of a subsidy in any form from the government might jeopardize its freedom, and it was for this very reason that the Canadian Press declined the offer from the Radio commission of a fee for the news bulletins that we have been supplying to the commission during the last two or three years.

The question of news on the air has engaged the very thoughtful consideration of the directors and members of the Canadian Press for the last five years. During that period news on the air has become progressively more important. News has come through from the United States, had been coming through from the United States, infiltrated across the border, most of it quite unreliable, some of it very misleading and a great deal of it filled with propaganda. It was for that reason that the Canadian Press made an arrangement with the Radio Broadcasting commission for two five-minute news emissions in each evening. A little later on it was decided for various reasons to consolidate those two emissions in one emission of ten minutes at 10.45 each evening. Backed by the reputation of the Canadian Press, its record for reliability and accuracy, we believe that that news bulletin which has been broadcast each evening at 10.45, has been generally regarded in this country as an accurate survey and review of the news of the day. But if the Canadian Press is to provide an alternative to the incessant radio news that is coming from across the border, it is necessary for the Canadian Press to be on the air, instead of once a day, at least three or four times a day.

The Canadian Press is quite agreeable to supplying the news bulletins free of charge. It merely asks that some method of distribution be evolved, and it is in that connection that we are asking the co-operation of this committee.

The Canadian Press feels that in offering to supply this news, it is offering a commodity of very great value. We do so because we believe it is in the national interest that the news in this country be safeguarded and kept under Canadian sponsorship. The Canadian Press feels that news on the air should be just as accurate, just as reliable, just as impartial, and just as free from propaganda as the news that the Canadian Press is supplying by land.

In a general way that is the position of the Canadian Press on this matter of news on the air. But to summarize, with your permission I shall read to you the memorandum, copies of which you have. I have to change my glasses to do this job.

By Mr. Martin:

Q. Before you go on, I should like to clear up one point. You said the Canadian Press had declined to accept any remuneration from the commission for the use of its service. Did you not at one time receive \$500 a month, and then discontinue it?—A. No; it was offered but never accepted.

WITNESS: The memorandum is as follows:—

CONCERNING NEWS ON THE AIR, SUBMITTED BY THE CANADIAN PRESS FOR CONSIDERATION OF THE COMMITTEE OF THE HOUSE OF COMMONS ON RADIO.

Honourable Mr. Chairman and gentlemen of the committee:

On behalf of the Canadian Press we beg to submit:—

(1) News has become an outstanding feature in all radio programs. An increasing number of Canadian commercial stations pick off the air at nominal cost short-wave news broadcasts originating in the United States. These lack British character and in some cases are quite irresponsible, misleading and inaccurate.

(2) The Canadian Press is concerned that news on the air be as accurate and reliable, as Canadian and British, as that it supplies the daily newspapers of Canada. Three years ago with that object in view the Canadian Press agreed to furnish to the Canadian Radio Broadcasting Commission news bulletins for its national network. At present a bulletin of about 1,200 words requiring 10 minutes emission is broadcast from Head Office of the Canadian Press in Toronto at 10.45 p.m. supplemented by earlier bulletins for the Commission's Maritime and French networks. The value of this bulletin is firmly established.

(3) The first tentative agreement between the Commission and the Canadian Press called for the payment by the Commission of the sum of \$500 a month. This was to cover the cost of preparing the bulletins. The directors of The Canadian Press subsequently decided to make no charge for this service to the Commission, believing it was a public duty to assist in the dissemination of accurate news by radio.

(4) Because the commission's network operates only in the evening, The Canadian Press broadcast is unable to meet foreign competition during day hours. The Canadian Press believes that with the co-operation of the government it can meet this competition by:

- (a) daytime commission network facilities extended to cover the entire broadcasting field; or
 - (b) short-wave-emission by Canadian Marconi at stated hours capable of being copied off the air by all broadcasting stations; or
 - (c) telegraph hookup of Canadian National and Canadian Pacific land lines at stated hours directly available to all broadcasting stations.
- At present the commission network (a) is confined to evening hours and does not include every station.

Under short-wave emission (b) each broadcasting station would pay a small fee to be credited to the cost of emission by Canadian Marconi. In addition the station would pay the cost of the operator copying the bulletins off the air.

Under telegraph hookup (c) each broadcasting station would pay a small fee to be credited to the cost of transmission and be divisible between the two telegraph companies. There would be no further cost for a copying operator because the bulletins would be automatically received on telegraph printers at all radio stations. Speed, accuracy and continuity of reception thus would be assured.

(5) Believing it is in the national interest news on the air should be thoroughly Canadian and British in character, and an effective substitute for foreign services, The Canadian Press invites the co-operation of your committee and of the government to that end. As its contribution The Canadian Press offers to prepare free of cost at its head office a service of radio news bulletins for emission at convenient periods by the Cana-

dian Radio Broadcasting Commission and individual broadcasting stations, provided that these news bulletins when put on the air shall be free from advertising and shall not in any way be used with sponsored programs.

(6) The Canadian Press asks that the Canadian Radio Broadcasting Commission, or other controlling body, shall continue to protect Canadian newspapers and The Canadian Press from the unauthorized use of their news by any radio station.

The Canadian Press further suggests that all broadcasting of news, including its character, volume and periods of emission, should be subject to regulation by the Commission.

All of which is respectfully submitted on behalf of the Radio committee, The Canadian Press.

OTTAWA, April 7, 1936.

The CHAIRMAN: Mr. Preston, is there any other member of your executive who desires to say anything?

WITNESS: Not unless you have some questions to ask.

The CHAIRMAN: Are there any members of the committee who wish to ask questions on this memorandum?

Mr. RYAN: I should like to ask a question.

By Mr. Ryan:

Q. Has there been a time when this proposition was put forward to the Radio commission? Is this the first time that you have made a suggestion such as this to the Radio commission?—A. Yes.

Q. Have you taken up with the commission at any time anything along these lines?—A. No, not along these lines, sir.

By Mr. Slaght:

Q. Mr. Preston, in clause 6 of your concise memorandum you indicate that "the Canadian Press asks that the Canadian Radio Broadcasting Commission or other controlling body shall continue to protect Canadian newspapers and the Canadian Press from the unauthorized use of their news by any radio station." Can you elaborate that a little bit? Frankly, I do not know what regulation you seek. If it is desired that this committee make a recommendation as to that, we ought to know, perhaps, what the meaning of it is.—A. I shall be very glad to explain that. I shall ask Mr. Livesay to explain that.

Mr. LIVESAY: Under the rules and regulations of the Canadian Radio Broadcasting Commission of April 1, 1933, Mr. Slaght, under the heading of News Broadcasts, which are found on page 18, the following appear:—

"101. Canadian radio broadcasting stations shall not transmit any news or information of any kind published in any newspaper or obtained, collected, collated or co-ordinated by any newspaper or association of newspapers, or any news agency or service, except the following:—

(a) Such news bulletins as are released regularly from the various bureaus of Canadian Press for the express use of broadcasting stations in Canada.

(b) Local news under arrangements to be made by each station individually with its local newspaper or newspapers, or such news as it may collect through its own employees or through such collection agency or agencies as may be employed by the said station.

(c) Newspapers broadcasting false or misleading news shall be prohibited from further broadcasting unless extenuating circumstances can be shown."

May I explain, Mr. Chairman, very briefly, how this affects us? Before the Radio Broadcasting commission came into being, we were subjected to the pirating of our news, both Canadian Press and the individual newspapers, by various radio broadcasting stations throughout the country; and apparently we had no redress. It was doubtful. Under the copyright law we have really no redress because by altering the actual text of the despatch it could be got away with, if I may use that expression. There had not been established in this country, as there has been elsewhere in the world, property in news. So we were wide open to this, and it was not until the commission came into being and we began talking to Mr. Charlesworth and put before him our case, that we made any headway at all. We did not absolutely ask for this regulation; we did not see the regulation text before it was passed by order in council. If we had we might have suggested one or two alterations in it; but there is no question that the passing of this regulation has stopped completely the theft of our news and that of the newspapers. We therefore hope that it will be continued as a safeguard.

Mr. SLAGHT: As I understand you, Mr. Livesay, the regulations you refer to, which exist as far as the commission is concerned, you regard as ample protection for you now.

Mr. LIVESAY: I do, with perhaps a little change.

Mr. SLAGHT: You are asking to-day only for a continuation of that protection?

Mr. LIVESAY: Yes.

Mr. SLAGHT: Has there been any suggestion that they might be dropped, or anything to cause any fear that they might be dropped, so far as the present commission is concerned?

Mr. LIVESAY: No, Mr. Slaght; but you understand the committee is looking into the whole question of radio. We should like in the first place to make our very grateful acknowledgment for this regulation and express the hope that whatever new form radio may take this regulation will be continued.

Mr. WOODSWORTH: Does this protection mean that any American news agency would be precluded from being used or information obtained from any American news agency could not be used by any Canadian station?

Mr. LIVESAY: No Mr. Woodsworth. As a matter of fact the American service which we consider most dangerous from a national point of view is brought directly into this country and rebroadcast from Canadian stations. It can be bought at a very small cost, and it can be put out with sponsored programs; whereas Canadian Press news cannot be. Our difficulty is that we cannot meet the competition of, for instance, Trans-radio; because we are only on the air once in the evening. We want to be on the air three or four times in the day opposite Trans-radio so that the Canadian public may choose.

Mr. MARTIN: Would you include the Christian Science Monitor broadcasts in the same category as Trans-radio?

Mr. LIVESAY: No, sir; that is a very fine service.

Mr. MARTIN: Has your association any objection to that service?

Mr. LIVESAY: I have never heard it mentioned in any meeting we have had sir. I have employed it myself.

Mr. SLAGHT: There is another point. Your report recommends or suggests in the first place your present ten minutes on the air should be lengthened. You think it desirable that you should be on the air three or four times a day?

Mr. LIVESAY: Yes.

Mr. SLAGHT: And as I recall the way Mr. Preston put it, that would offset the undesirable news from the south coming in, or rather to put you on where you could compete with it?

[Mr. W. B. Preston.]

Mr. LIVESAY: Yes.

Mr. SLAGHT: Now, there are two or three matters I want to ask you about, in the main, that might help the committee. First, have you taken that matter up with the present commission and been refused, or is this the first request; secondly, can you tell us what the practice is in Britain with Reuters, which is the corresponding service that you spoke of of to-day; thirdly, can you tell us what the practice is with the A.P. in the United States? In other words, in Britain and the United States do the press services go on the air three or four times a day as you are suggesting? There are three matters involved there. Have you taken this up with the commission and been refused, or is this the first suggestion?

Mr. LIVESAY: We have taken this matter up informally with the commission, but the reply has been, "unfortunately we are not on the air except in the evening hours from 5.30 until midnight." Therefore they have not the facilities. A couple of months ago Mr. Preston, Mr. Norman Smith and myself had an informal talk about it in Ottawa here, but it was confined entirely to whether or not some avenue of distribution could be arranged to enable the commission to go on the air during daylight hours. We do not ask, of course, the commission to go on the air during daylight hours because we know it involves formidable expense. We only ask that if they are on the air during daylight hours then we be allowed to put out three extra news casts. That is No. 1.

Mr. SLAGHT: What is the practice in Britain as to the press service, Reuters, going on the air once a day or several times a day?

Mr. LIVESAY: B.B.C. buys the four leading news services, which are delivered to them in bulk by Reuters, Press Association, Central News and Exchange Telegraph—there may be one other. Then it puts out its first news bulletin at six o'clock in the evening. That runs half an hour. It puts out another one at 9.30 in the evening, and it too runs half an hour. Then there is a small regional one they put out at 1.30. That news goes out to regional stations. That is the practice; they have no regular news during the day. If we were isolated in this country as they are over there; if we were not subjected to the infiltration at all hours of American broadcasting, no doubt it would be in the interest of newspapers to have no broadcast before five in the evening. But we recognize we have to meet this competition, and for this reason we want to get out and meet it in the only way we can, which is offering every radio station a better service for less money. Does that answer your second question?

Mr. SLAGHT: Yes, as far as I am concerned.

Mr. LIVESAY: It is rather a long story, but there is a very bitter war between the leading radio interests and the leading U.S. news associations—

Mr. SLAGHT: Personally I do not intend to provoke any long story.

Mr. LIVESAY: No; I am not going to say that.

Mr. SLAGHT: Just condense it and tell us what the practice is.

Mr. LIVESAY: Well the practice broke down, I might say. Now there is a warfare going on, and the Associated Press will not allow its news to be sold with advertising; neither will we. There was an agreement and it broke down. The breakdown of that agreement, which was perhaps unduly restrictive, left discretion to the member furnished with the news, which has behind it no newspaper responsibility at all.

Mr. BOUCHARD: May I ask if you contemplate putting the broadcast on the air on standard time or daylight saving time? It is very important from the standpoint of the country people.

Mr. LIVESAY: We hope to arrange those bulletins on staggered time throughout the country; but we find in practice that we cannot do it because it is on

network and on telegraph lines, and therefore goes over the Radio commission station simultaneously to all parts of the country. In the summer time the commission asks us to alter that time to daylight time; in the winter time we are back on the old time. There is an earlier broadcast for the maritimes and also for the French network.

Mr. MARTIN: The headquarters of the Trans-radio unit is in Newark, New Jersey.

Mr. LIVESAY: Yes, the Bamburger department store.

Mr. MARTIN: What other agencies have you in mind, non-newspaper agencies, to which you are objecting?

Mr. LIVESAY: That is the only one that has come actively into this country and sold services to large Canadian stations to be rebroadcast.

Mr. MARTIN: Are you including in your recommendations or your requests newspaper comments by individuals emanating in the United States like Walter Winchell and that sort of thing?

Mr. LIVESAY: No; we do not regard that as being news, it seldom is.

Mr. McINTOSH: The Canadian Press trans-Canada bulletin service is at 10.45?

Mr. LIVESAY: Yes.

Mr. McINTOSH: You want that extended into a larger and more comprehensive service. What hours do you prefer?

Mr. LIVESAY: We have been talking informally, but nothing is settled. I think, in order to meet Trans-radio, it would have to be four times a day. We would have to go on the air in the morning at about 8 or 8.30; in the afternoon at about 12.30, and about 5 in the evening, and also what we have now. That would meet Trans-radio.

Mr. SLAGHT: I have one other point, Mr. Livesay. As I understood Mr. Preston you were rendering this service free prior to the creation of the Radio commission in 1932?

Mr. LIVESAY: No; there was no service at all. Individual newspapers perhaps were on the air, but there was no Canadian Press service.

Mr. SLAGHT: When did the Canadian Press service begin?

Mr. LIVESAY: July 17, 1933.

Mr. SLAGHT: It was a free service at the outset?

Mr. LIVESAY: At the outset.

Mr. SLAGHT: When and under what circumstances did the commission seek to pay you for the services you are rendering free?

Mr. LIVESAY: The answer to that is this: I negotiated on my own responsibility with the commission and the commission asked me what price. I said I thought we should get enough to cover the cost of preparing these bulletins and some other incidental expenses, and I put the figure at \$6,000 a year. They accepted that. We drafted a contract along that line. When I submitted it to our board the board threw out this \$6,000.

Mr. RYAN: Do you know through what stations the Trans-radio broadcasts come?

Mr. LIVESAY: I have not got that, but I think Mr. Edwards will have the complete list.

Mr. RYAN: Could you file a list of the stations? I should like to find out the stations through which the Trans-radio broadcasts come.

The CHAIRMAN: You mean the Canadian Press?

Mr. RYAN: No, the Trans-radio.

[Mr. W. B. Preston.]

Mr. CAMPBELL: Probably Mr. Edwards can explain it.

Commander EDWARDS:

STATIONS LICENSED FOR RECEPTION OF PRESS MESSAGES

1935-36

Private commercial Broadcast- ing call sign	Call sign	Location of Station	Owner of Station	Licensed to receive press messages from:
CJOR	.....CZ3Q....	1225 Nelson St., Vancouver, B.C.	G. C. Chandler, 846 Howe St., Vancouver, B.C.	Hicksville, N.Y. (WCX) and San Francisco (KJH)
CFCN	.....CZ2Z....	Broadcasting Station CFCN, Strathmore, Alta.	W. W. Grant & H. G. Love, Toronto General Trusts Bldg. Calgary, Alta.	Hicksville, N.Y. (WCX, WPU, WAFH, WAFP) and San Francisco, Cal. (KJH)
CJRM	.....CZ3P....	Regina, Sask.	J. Richardson & Sons, Ltd. Winnipeg, Man.	Hicksville, N.Y. (WCX, WPU and WAFH)
CJRC	.....CZ3O....	Winnipeg, Man. (Stevenson's Field)	"	"
CFCH	.....CZ3Y....	North Bay, Ont.	Northern Broad- casting Co. Ltd. North Bay, Ont.	Hicksville, N.Y. (WCX, WPU, WAFH, WAFP) & San Francisco, Cal. (KJH)
CJKL	.....CZ3Z....	Kirkland Lake, Ont.	Northern Broad- casting Co. Ltd. North Bay, Ont.	Hicksville, N.Y. (WCX, WPU, WAFH, WAFP) & San Francisco, Cal. (KJH)
CKGB	.....CZ5H....	Timmins, Ont.	Timmins Press, Ltd.	"
CJCB	.....CZ5T....	Sydney, N.S.	N. Nathanson	"

Mr. LIVESAY: There is a Montreal one.

Commander EDWARDS: It is not officially licensed. We will check that up, though.

Mr. MARTIN: Mr. Livesay, are there any non-newspaper controlled commercial agencies in Canada?

Mr. LIVESAY: I beg your pardon?

Mr. MARTIN: Are there any agencies not controlled by newspapers covering news views in Canada?

Mr. LIVESAY: No, I do not think so.

Mr. CAMPBELL: Mr. Livesay, in speaking about the regulations, I believe you said that these were sufficient with the exception of probably one change. Would you elaborate that?

Mr. LIVESAY: Well, I think we misunderstood that section 101, clause (b), when this thing came up. We thought it gave us protection against the sort of competition that Transradio furnishes. I had better read the section. It says:—

Local news under arrangements to be made by each station individually with its local newspaper or newspapers, or such as it may collect through its own employees or through such collection agency or agencies as may be employed by the said station.

"Through its own employees" is, of course, all right. The last line, "or through such collection agency or agencies as may be employed by the said station" opens the door to Transradio. We are not asking this committee to recommend

that Transradio be shut out of this country. We feel that the only way we can meet it is on equal terms, and do a much better Canadian job of it. But the way it is, that paragraph is rather obscure. If it was redrafted so that everybody would be sure as to exactly what it means, I think it would be an improvement. If I may, Mr. Chairman, I should like to add just one word to Mr. Slaght's third question. The Associated Press has got complete protection through the establishment in the United States of property in news. Radio stations, therefore, are not able to steal its news; or if they do so, it is under hazard. We have not got that protection in this country. That is the reason that we are so awfully vulnerable, and were awfully grateful for the measure of protection that this clause gave us.

MR. SLAGHT: Have you ever suggested an amendment to our Copyright Act in that regard?

MR. LIVESAY: Our counsel has told us, Mr. Slaght, that the only way that can be done is by establishing property in news here, as it has been established almost everywhere else in the world except in the United Kingdom. It could be done. He thinks if we took a case into court, as the law stands, we would lose. I myself advocated to our board that we some time make a test case, and then if we lose we might have the right to go to parliament for relief.

MR. WOODSWORTH: In line with Mr. Martin's question, I should like to ask who sponsors that broadcast of Dr. Stewart?

MR. LIVESAY: Well, that is done by the Commission. I was not thinking about that, but that is more in the way of editorial comment or interpretative newscast, as they call it. We confine our whole argument to what we call spot news, without any interpretation—factual, objective. Transradio is in that class, though occasionally there is some interpretation that is not so good.

MR. MASSEY: Mr. Chairman, I think the whole matter hinges on two or three main central points, as far as this committee is concerned. Of the desirability of Canadian and British news being transmitted accurately and efficiently several times a day, there can be little doubt. There are, however, several factors to be taken into consideration in connection with the mechanical possibilities of such a service being executed economically. There is also another factor which is a little more difficult to describe without going into it at too great length. There have been, both in this country and in the United States, more or less Wars of the Roses between the radio stations and the newspapers, in which, incidentally, the objects of exchange have not been roses by any manner of means. The newspapers have been very bitter in regard to radio in years gone by. Radio was attempting to establish itself as an advertising medium primarily. The vast majority of newspapers felt that a great many advertiser dollars might be diverted to the air that might otherwise have been expended for the printed page. Radio having now established itself as a distinct advertising medium, the newspapers are in great part taking a different attitude.

When you touch news, sir, you are touching distinctly the quick centres of the whole newspapers field and you are entering into the midst of their bailiwick. We have heard the views presented this morning both by Mr. Preston and Mr. Livesay on behalf of the Canadian Press. There is a question as to what the reaction of the newspapers may be.

Newscasts that emanate from newspapers, whose number is legion in Canada, are done upon the responsibility of that newspaper and the one who is the radio editor or whoever he may be, charged with the responsibility of dealing with the news and placing it on the air. If the circulation of the newspaper decreases as a result of this service, that is the newspaper's own responsibility. The Canadian press at the present time is giving a service every evening which has reached a point of listener acceptance that is almost as great as that of any commercial program on the air. In selling advertising time for either a

[Mr. W. B. Preston.]

spot announcement or even a short program it is to be remembered that it is desirable for a sponsor to be on the air immediately before the Canadian press broadcasts or immediately after. In other words audiences peak at that particular point, thereby demonstrating the value of this service. There has been considerable experience in the United States in regard to newscasts, which has shown a certain effect upon newspapers one way or another. As to just what that effect is, there is some doubt, and there has been a good deal of discussion. No doubt the Canadian Daily Newspaper Association has its ideas upon this particular point that is under discussion this morning: Will the frequent transmission of news emanating from the Canadian press three or four times a day be detrimental to or advantageous to the Canadian newspapers as a whole? It would seem to me to be desirable that either Mr. Preston or Mr. Livesay give us the answer to this question this morning or else due representation be made to this committee by the Canadian Daily Newspaper Association before we come to any decision.

The second point is with regard to the immediate possibility of successfully supplying these newscasts across Canada. There are three suggestions in this regard contained in this memorandum. Each one of these suggestions has its good points and each one has its weaknesses. There is the problem of four time changes that we have in Canada, as against three time changes in the United States. There is also the bilingual problem, all of which must be considered.

Then, in the third place, there is not only the efficiency of any of these three systems or some other system which may not be listed here, but there is also the cost, even granted that the Canadian Press graciously submits its bulletins for broadcasting without cost to the commission or whatever body there may be, and that news is disseminated at the expense of the commission. We may feel that in Canada we have an engineer who is second to none in radio, in the person of Colonel Steel who is a commissioner. Colonel Steel is in a position to give an estimate of the cost in connection with each one of these three suggestions, which should be of value to this committee. After all, we might sit here to-day and decide that this or that is a most excellent thing to do. We might listen to a representation from the C.D.N.A. or whatever it may be and decide what to do. But we may be deciding something or recommending something which will be of extended cost. I think therefore, before we proceed much further with this matter, Mr. Chairman, we should ascertain what the attitude of the C.D.N.A. is and what their reaction is and secondly, the feasibility—

Mr. MARTIN: What is the C.D.N.A.?

Mr. MASSEY: The Canadian Daily Newspaper Association. Secondly, I think we should consider the feasibility and practicability of what is suggested, and the cost of any one of the three methods of procedure. Having obtained this information, then we can decide whether or not we should recommend that such suggestions as are contained in this memorandum or revised suggestions be proceeded with. I think we can all assume that it is highly to be desired that Canadian and British news, as such, be released on the air in Canada as against what we are hearing constantly during the day. The daytime broadcast is of exceedingly great importance and is becoming of greater importance. The Red and Blue networks, Columbia and other chains in the States have made a definite set on daytime hours, in order to increase the salability of their time. If one listens to his radio at odd times during the morning or the afternoon, he will hear artists that are being trained for the major programs of the evening hours. There are programs on the air during the day which are exceedingly fine programs, with comparatively unknown artists, yet artists who are very efficient and able to entertain effectively. Artists are built in this way and are later sold to commercial sponsors of evening programs. The daytime audience is big. Experience has shown that there are peaks in the various hours during

the morning and during the afternoon, and that the morning and afternoon hours, as I have stated, are increasing in importance very rapidly. Therefore we may assume that newscasts coming from the States are not of light importance as far as Canadians are concerned because they are listened to by many, many people. Granted it is not a man audience—it is more inclined to be a woman audience—nevertheless the audience is there. From the cultural point of view, from the purely national point of view and the purely British point of view, I think it is highly to be desired that we recognize these things and govern ourselves accordingly. Therefore I think it is of very great importance to this committee that full consideration should be given to the suggestions that have been made.

The CHAIRMAN: I might say that, as far as the Canadian newspapers are concerned, this brief that was presented this morning, and the answers to the questions will be published. If the Canadian newspapers have any desire to make any representation to this committee, they will be afforded every opportunity. As far as calling Colonel Steel is concerned, I do not think we should call him just at the present moment. This brief is put into the record for our consideration. If we want to ask Colonel Steel any questions in regard to costs, or the technical part of it and so forth, I think we can do so later on.

Mr. MASSEY: May I suggest, Mr. Chairman, that the matter before the committee to-day is not very clear by any means. It is not a question of getting down to exact dollars and cents in determining the cost of, but we should have some idea of the approximate cost that is suggested; as cost is a definite and perhaps controlling factor in the whole matter.

The CHAIRMAN: I know; but this is not the last meeting of this committee. We are just at the beginning.

Mr. JOHNSTON: May I ask a question here? I did not get down on time.

The CHAIRMAN: Yes.

Mr. JOHNSTON: I should like to know just what arrangements the newspapers have to get the use of the facilities for radio broadcasting? What method do they use to get these permits?

The CHAIRMAN: You were not here when the brief was presented?

Mr. JOHNSTON: No.

The CHAIRMAN: I think if you get a copy of that brief, you will find the answer to your question.

Mr. SLAGHT: By friendly arrangement.

Mr. JOHNSTON: Is there any arrangement whereby they make an agreement with a private license holder so that they may get the use of his privileges as well as the privileges they have themselves?

The CHAIRMAN: Will you answer that question, Mr. Preston.

Mr. PRESTON: Yes. As we say in our proposal we are quite prepared to have our news bulletins supplied not only to the commission but to the individual stations, to any individual station that might not be covered by the commission's network. We are quite agreeable to supplying the bulletins.

The CHAIRMAN: Would that be free of charge?

Mr. PRESTON: Free of charge so far as we are concerned, yes.

Mr. JOHNSTON: That does not just cover what I meant. Is there any arrangement whereby the newspapers, if I might use this expression, buy a license from a private individual?

Mr. CAMPBELL: That is from the commission.

Mr. JOHNSTON: My point is, thereby getting a monopoly of the use of the radio.

[Mr. W. B. Preston.]

Mr. SLAGHT: This is the Canadian Press, as an association.

Mr. CAMPBELL: They have nothing to do with it.

Mr. JOHNSTON: Then my question will probably come out later on.

The CHAIRMAN: Well, gentlemen, are you through with your questions?

Mr. PRESTON: I am not just sure what the gentleman means.

The CHAIRMAN: I think he understands now. Do you wish to go any further, Mr. Johnston?

Mr. JOHNSTON: No, I think it will come up later on.

Mr. PRESTON: If I may, Mr. Beaubien, I should like to answer Mr. Massey, as far as I am able to. In my preliminary remarks, I asked you gentlemen to distinguish in your minds between the Canadian Daily Newspaper Association and the Canadian Press. Mr. Massey, of course, is quite familiar with the two organizations. The Canadian Daily Newspaper Association is the business organization of the publishers in this country. The Canadian Press is concerned solely with the gathering and distribution of news; and to make it quite clear to your minds, I likened it to the Associated Press in the United States or to Reuter's in England. To answer Mr. Massey as to what would be the attitude of a Canadian Daily Newspaper Association towards the increase in the number of news emissions a day, I am sure I would be quite unable to speak the mind of that organization. I think perhaps we might say that the publishers of this country have been concerned over the increase in the number of news emissions. As I said in my introductory remarks, the Canadian Press have given this matter very thoughtful consideration for five years, because they naturally were loathe to place free on the air news that is gathered at great expense. However, the tremendous increase in the number of news broadcasts, mostly coming from the United States, during that period has made it necessary in the national interest, in the minds of the publishers, for someone to supply the Canadian news, probably safeguarded with the British viewpoint instead of the American. That is the reason for our presentation to-day. As an offset to the news that is coming from the United States—that is, with the American viewpoint rather than the British or Canadian viewpoint—the Canadian Press is agreeable to supply to the radio stations, through the commission or to the stations direct, a Canadian press bulletin service free of charge. To answer Mr. Massey in regard to the cost of number three, in the case of number three there would be no cost to the government at all. The telegraph companies would take from the Canadian Press the news bulletins, and over its own wires place those bulletins in the hands of any radio station anywhere in the country, at a small fee to that station, that fee being considerably less than this particular station may be paying now. Transradio was a semi-commercial news agency. Under number three there would be no cost to the government at all.

Mr. RYAN: Mr. Preston, it is a fact, I think, that several private stations are owned and controlled by newspapers. Is that so?

Mr. PRESTON: Yes.

Mr. RYAN: Have you any objection to stations of that kind broadcasting news containing Canadian Press dispatches, if these particular papers are associated with the Canadian Press?

Mr. PRESTON: They do, that now, and under our authority.

Mr. RYAN: I do not think that they are allowed to under the rules, as I read them. It is local news.

Mr. PRESTON: No. Local stations, that is, stations operated by the newspapers are broadcasting Canadian news with the full authority of the Canadian Press.

Mr. MARTIN: There is something that I was not very clear about. In answer to a question of Mr. Woodsworth's, Mr. Livesay, you said that your objection to Transradio service was a different kind of objection than the one you had to the service given by Dr. Stewart. You said that the Transradio Service gave nearly spot news, and that there was, generally speaking, no interpretation of the news events. If that is the case, how can there be any serious objection to it? How can you charge that service with being a source of propaganda, if they merely recite facts as they take place from day to day?

Mr. LIVESAY: The most powerful propaganda that was discovered in the late war was the selection of news. But I went perhaps a little further than I should when I say that it is not interpreted. What I meant was that it is not like some of these well known men, for instance, in the United States, who are on the air. It is not a personal account of, say, an international situation as it appears at that hour to that man. But it is an interpretation to the extent that it is very intensely American. And I have found, on listening in to them, that they are very often anti-British, particularly when we have a crisis in London or Geneva or elsewhere. But its form, generally, is more what I would call spot news as against interpretative news.

Mr. MARTIN: I should like to just follow that one step further. That is why I asked you about it. I quite agree with you; but if you object to that kind of service in that it misinterprets particularly a matter of foreign affairs, would you not apply the same objection to the broadcasts of the *Christian Science Monitor*, a very good newspaper. Its broadcasts certainly have interpreted news from foreign places pretty much along the lines of the Transradio service. If you object to the one, I cannot see why you do not object to the other.

Mr. LIVESAY: I have not heard the *Christian Science Monitor* broadcast, but I know it is a very admirable newspaper; every newspaper man recognizes that it is a very admirable newspaper. Is it being broadcast in Canada?

Mr. MARTIN: Yes; several of the papers have it. It gives us a service at that station around 5.15.

Mr. LIVESAY: The best answer to Mr. Martin is that the Canadian Press feels that it is necessary, as an offset to these various emissions that he speaks of, for the Canadian Press to be on the air more frequently than it is, supplying a news service that is British and Canadian in viewpoint. We feel that with a reliable service on the air, the people would look to the Canadian Press for their broadcast rather than depend upon these emissions from foreign sources.

Mr. MARTIN: I would not want anything I said to be taken as a personal criticism of the *Christian Science Monitor*.

Mr. SMITH: I am honorary president of the Canadian Press. I just want to say a few words. The British parliamentary committee that recently held an inquiry in regard to the British Broadcasting Corporation and the powers that should be given to it, whether its power should be amended, made a reference in its report to the influence of broadcasting on the mind and the spirit of the nation. We thought it was advisable that we of the Canadian Press should bring before a committee of the Canadian parliament a situation that has risen in recent years, or in the last year or two. At all times, and it cannot be prevented, the Canadian people are subjected to broadcasts initiated or emitted from the United States stations. We can do nothing about that. But we have, at the present time, organizations coming here and selling their broadcasts to local stations, to be emitted from local stations; and apparently they are emitted with the authority of the station that is behind it, of some foreign station. We suggest to you gentlemen that that is a very serious state of affairs, and we tell you of some of the things that we are prepared to do to offset that. We do not ask that you shall exclude these foreign broadcasting associations. We do say that you should lend us your co-operation; you might perhaps say something in your

[Mr. W. B. Preston.]

report of the danger of these foreign broadcasts, and that you would help us and co-operate with us, not in the exclusion of these things but in the regulation of them. In the last paragraph it says: "The Canadian Press further suggests that all broadcasting of news, including its character, volume and periods of emission, should be subject to regulation by the commission." I do not think that the powers of the present commission are sufficient to regulate these commentary broadcasts. Personally I think, and I believe the members of the Canadian Press are with me, that they should be subject to some form of regulation. To show that we are not seeking a monopoly in any way, shape or form, the Canadian Press, realizing this dangerous situation, tell you that we are prepared to supply without any charge, summaries of our news collected at the expenditure of a very large sum of money. We offer it to you as an alternative to these foreign services that are being sold in Canada. It sounds very absurd on the face of it, and it is an absurd thing that we should offer to do this; that we should give these stations, not merely commission stations but all stations, this news of ours without charge at all. We ask your co-operation. That is about the sum and substance of this memorandum; it is rather to direct your attention to this news danger that has come and that is liable to offset—well, it would be very dangerous, having regard to the influence of broadcasting on the mind and spirit of the nation as referred to in the British parliamentary committee's report.

Mr. WOODSWORTH: By regulation, have you in mind the limitation of the time on the air? Or do you envisage something in the form of censureship?

Mr. SMITH: No, far from censureship. But there is certain regulation that I think all reasonable men would agree to. We simply say regulation, that they should be subject to some kind of regulation. There is no person who realizes better than a newspaper editor or newspaper publisher the inaccuracy, the irresponsibility and the misleading nature of some of these broadcasts. In the newspaper offices we are constantly having to correct, over the telephone, the most misleading information. We are able to tell you. We are on the spot and in touch with what is being done. You are not. We are able to tell you, and urge upon you that it is a great danger.

Mr. SLAGHT: Arising out of what you just said, Mr. Smith, it occurs to me to invite you to help us in that way, if you can. As I understand it, the present commission operate their own stations only in the evening. If the present commission, or such controlling body as may carry on in future, finds it possible only to operate in the evening, have you any suggestion which might help us in a recommendation as to how you can still accomplish three or four broadcasts during the day, bearing in mind that you would have to co-operate with privately operated stations so to do? If you have any helpful suggestion, I should like to hear it.

Mr. SMITH: You will find it, Mr. Slaght, on the second page of this memorandum. We were giving alternatives, and you will find it in the one about the daytime, to cover the entire broadcasting field. That is a matter of policy for parliament. We have nothing to do with that. Just as an alternative, if you had a daytime broadcast our service would undoubtedly go on that broadcast; but in case you did not adopt that, which would cost a great deal of money, we have another suggestion, which is as follows:—

Under telegraph hook-up (c) each broadcasting station would pay a small fee to be credited to the cost of administration and be divisible between the two telegraph companies. There would be no further cost for a copying operator because the bulletins would be automatically received on telegraph printers at all radio stations. Speed, accuracy and continuity of reception thus would be assured.

We have information that it is possible to make some arrangement with the telegraph companies to do that.

Mr. BERTRAND: From what I have heard this morning about foreign agencies putting news over the air, I would feel that a great danger exists, a danger so great as to be essentially bad. I should like Mr. Smith to tell us where the danger lies. I for one should not like my name to go out as a member of this committee being in favour of prohibiting foreign news agencies from broadcasting on the air unless it could be shown that it was bad. This news is published in the newspapers in the United States, and I should not like to subscribe to this, unless I can be shown that it is really bad. Can you give me some practical proof of this, Mr. Smith?

Mr. SMITH: I have not come prepared to recite any particular thing. Anybody who has listened to some of these broadcasts from the United States, direct or broadcasts emitted from Canadian stations, and who have been following the correct news, and who knows something about the news of the world, realizes that the broadcasts are many times inaccurate and misleading.

Mr. JOHNSTON: Do you suggest that you should be in a position to censor that news as it comes in?

Mr. PRESTON: We are merely asking that some scheme of distribution be evolved, say by the Canadian Press, through the co-operation of your body, which would be able to offset that. There are no Canadian news bulletins on the air during the day at the present time. There is one emission at 10.45 at night, that is all. News is on the air practically every hour of the day in the United States. You can say that some of it is unreliable, but all of it has an American viewpoint rather than the British and Canadian viewpoint.

Mr. BERTRAND: That is what I wanted to find out. These broadcasts are not bad because they come from the United States. I am a Canadian myself, 100 per cent; but I should not like at this time, when we are passing a reciprocity treaty with the United States, to have it known that as a government committee we consider that all news coming over the air from the United States was bad and dangerous to us. In a few years when broadcasting is at a more perfect stage, we shall be getting news casts from England, France, and all over the continent, and I hope that they will not be all bad.

Mr. McINTOSH: Mr. Chairman, there is a question I should like to ask. On the second page of the memorandum submitted by the Canadian Press this morning, we find a very important statement, a statement which I think is practically the essence of the submission made to the committee to-day. That statement is contained in suggestion No. 5, and reads as follows:—

Believing it is in the national interest news on the air should be thoroughly Canadian and British in character, and an effective substitute for foreign services, the Canadian Press invites the co-operation of your committee and of the government to that end.

Now, I yield to no member of the committee or to any Canadian, as far as that is concerned, my love for Canada or my love for the British Empire; but I am particularly struck when I read this paragraph by the words:—

an effective substitute for foreign services.

If the idea behind these lines is to build up what you might call an effective Canadian news service then we are all back of that, and also an effective empire news service. We are all back of that; but I am just a little bit afraid of how the Canadian people are going to get news with reference to the world as a whole. That is very important. I think it is important to get the viewpoint of the United States and the viewpoint of any other country making up the world whole in a news way. In getting that news service into Canada, what are we going to do, and how are we going to control it? How far shall that control go? I think perhaps that is one of the most important questions before this committee. I should like one of the members who is here this morning to

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explain the idea back of these lines that I have just read. We hear, I may say, a great deal to-day about the danger of breaking down Canadian nationality and breaking down imperialism by news services from abroad. Personally I am not very much afraid of that. I have an idea that if my Canadianism and my British viewpoint can be broken down by a foreign news service I am not very much of a Britisher or a Canadian. Still, I should like to see news services controlled in an effective way and consequently I should like to have these lines analyzed and the viewpoint of the Canadian Press taken up before the committee.

Mr. LIVESAY: I shall try to analyze that. In building up, as you know in the evening, our bulletin of 1,200 words—probably members of your committee have listened to it—that bulletin consists of world news service, and is built up to cover twenty-four hours, because the people in the north and the fishermen and so on, do not get newspapers, and this broadcast gives them the news. It does intentionally and deliberately cover the news of the whole world, but it puts it in the Canadian focus; that is to say, we do not play up American news. We do not give the American viewpoint. We record American news on a straight news value; that is all. We like to play up our own news first, then British news and news of the world afterwards, realizing of course, the news of our neighbour in the south is of perhaps more immediate interest here than the news from China, say. Does that answer your question?

Mr. McINTOSH: I think that is a good answer. My thought was this: we are living in an international era at the present time. No person can deny that the whole trend of the world to-day is towards the world whole, towards new internationalism. The point is this: is our news service in Canada going to interfere with the reorganization of the world?

Mr. LIVESAY: No.

Mr. McINTOSH: As long as we are safeguarded in that direction, Mr. Chairman, that is satisfactory so far as I am concerned.

Mr. LIVESAY: Mr. Chairman, I have here the written proof of the sort of thing transmitted to us. We think it is not correct. On October 25th last, Prime Minister Baldwin said in London:—

I would never sanction this country going in for a blockade unless I was assured beforehand of the attitude of the United States.

We got that from Reuters. Trans-radio buys Reuters. Trans-radio put this out—I heard it myself:—

Great Britain will not go to war unless assured of United States support.

Mr. SLAGHT: Is this whole thing going in the record?

The CHAIRMAN: Gentlemen, have you any further questions to ask the representatives of the Canadian Press? It is nearly a quarter to one, and if you have no further questions we shall go on with Mr. Charlesworth. Is it the wish of the committee to hear Mr. Charlesworth's viewpoint of the representations given this morning?

Mr. CAMPBELL: Yes.

Mr. SLAGHT: Mr. Chairman, I think we should express to our friends of the Canadian Press our appreciation for the very clear, brief and concise way in which they have put their important problems before us.

Mr. McINTOSH: Will the Canadian Press appear before us again?

The CHAIRMAN: If the committee desires to call the executive at any time they will have the opportunity to do so, and I am sure the Canadian Press will be glad to come.

Mr. PRESTON: Yes, sir.

HECTOR CHARLESWORTH, recalled.

May I interrupt the proceedings for a moment? Mr. Buchanan, our director of publicity and public relations, whose business it is to keep his finger on public policy, prepared an impartial summary of the complaints and commendations that have come in, with ample copies for each. It is a summary in connection with matters in his department.

The CHAIRMAN: Is it the wish of the committee to distribute those?

Mr. McINTOSH: Do I understand that these complaints and commendations are produced by Mr. Buchanan rather than the commission?

WITNESS: Mr. Buchanan is director of public relations. I asked him to prepare a summary of all matters.

The CHAIRMAN: It is headed as follows:—

GENERAL COMPLAINTS ABOUT AND COMMENDATIONS OF THE COMMISSION:

1. Since its inception;
2. Since June, 1934.

So you have it from the very beginning.

WITNESS: Prepared in newspaper form.

Mr. WOODSWORTH: We have only a few moments before one o'clock; could we have Mr. Charlesworth's comments?

WITNESS: Yes. Is there any question you gentlemen wish to ask me on this matter?

By Mr. Woodsworth:

Q. May I ask whether the presentation as we have heard it from the Canadian Press is a reasonable and practicable one?—A. It is reasonable. Of course, you can do nothing without money. It is a question of money, as Mr. Massey has said. We, with our present resources, cannot go in for daytime broadcasting. At one time, when the commission was in the formative period, I had hoped to have daytime broadcasting, but it proved to be entirely out of the question financially. That is at the time I was clearing up piracy on the air in Canada. There was a great deal of piracy by sponsors. I think Mr. Livesay spoke of the effective work our commission had done in cleaning up that whole situation. As I say, this would be a very desirable thing in my opinion.

With regard to these Transradio broadcasts, I may say that I have taken the precaution, both in conversations and in letters to stations handling them, in view of the charges that they might be anti-British propaganda, to wire the stations at the first sign of any anti-British propaganda coming on the air or anything likely to be offensive, to cut them out, buzz them right off. I am satisfied that most of the stations do watch them pretty carefully for that sort of thing. I do not know if they have had occasion to cut anything out. These broadcasts do not come into Ottawa here. I have no opportunity to hear them. But those are the suggestions, in fact the instructions given to the stations, to avoid anything in connection with these news broadcasts that would be detrimental to the public interest from our standpoint. It is unquestionable that the Canadian listener likes the news broadcasts from the United States, especially the commentary ones,—Walter Winchell, for instance. He does not interest me very much, but a great many people like him. Then there is Boake Carter or Lowell Thomas. These broadcasts which generally come into Canada directly, but which are broadcast on American stations, are much more likely to give, in the commentator's point of view, perhaps detrimental suggestions, than the spot news that may come over the Transradio broadcast. I should like to see, as I think we all would, some system where people could get more

[Mr. Hector Charlesworth.]

Canadian news over the air. It is not altogether a fact that there is no Canadian newscast on the air in the daytime, because in most of the leading cities the stations have broadcasts from their own local newspapers. The policy of the local newspapers differs in different centres. Some newspaper proprietors object to giving their news on the air at all; others do not. But there is a good deal of daytime broadcasting. I do not know whether the Daily Newspaper Association has yet solved the problem, or the Canadian press. At the time when I was in Toronto, prior to becoming chairman of the commission, there was a great deal of resentment among the afternoon papers of the smaller cities of Ontario because papers like the *Toronto Telegram* and the *Toronto Star* were broadcasting at noon and heard out in places like Oshawa, thus taking the edge off the news in the afternoon edition that would be coming out, say, at three or four o'clock in that city. I think perhaps that situation rather embarrassed the Canadian Press.—I am not speaking with authority when I say that,—in dealing with this question at all. I was therefore very glad to see that this is apparently a unanimous opinion of the Canadian Press, that daytime broadcasting would be a good thing, despite the fact that it might possibly interfere with the afternoon circulation of Major Preston's paper at Brantford, the *Brantford Expositor*. I welcome that unity of opinion which I assume exists in Canadian Press at the present time and which did not formerly exist. But as I say, this is all a question of money. We cannot provide daytime broadcasting out of our present resources.

MR. MARTIN: Just on that point, having in mind what I think is the very reasonable request of the Canadian Press, what would be the approximate cost to effect say four daily transmissions, including the one at night? Do you know?

WITNESS: Well, I cannot tell you offhand. We have had no opportunity. Even this submission was altered last night. We have had no opportunity to go into the matter. I did ask the representative of the wire companies to let me have some figures, and I asked him this morning before I left the office whether he had them, but he had not got them. I should judge it would be \$100,000 per annum on the basis of the first two proposals. The third proposal that you will see there from the wire companies, which is entirely new—which I believe was only arrived at yesterday—puts an entirely new face on the matter.

MR. McINTOSH: \$100,000 would be a mere bagatelle if the future of the country in the way of news service is at stake.

WITNESS: Yes. I am speaking of the \$100,000 as wire charges alone, I should judge.

MR. SLAGHT: I understood the Canadian Press representatives to tell us that it would cost the country and cost the commission nothing at all; because as they indicate in the third paragraph under telegraph hook-up each broadcasting station would pay a small fee, and it was explained to us that this service would cost nothing at all.

WITNESS: If it would cost nothing at all, I am all for it.

MR. SLAGHT: Perhaps you did not hear him say that.

MR. LIVESAY: That is not quite correct. We have had an offer of two telegraph companies, I do not say which, to distribute these bulletins and collect a small fee which we think reasonable from each station wanting the service, and that would be free. They will divide that fee between them. They might make, between them, eventually as much as \$30,000 a year. But as you realize, that would be a very cheap way of distributing.

WITNESS: That would be very cheap.

MR. LIVESAY: Yes.

WITNESS: Mind you, my \$100,000 a year is mere guesswork. This thing has to be gone into by our men.

Mr. SLAGHT: I personally do not see, if their statement is accurate, where it would cost the country anything at all.

Mr. PRESTON: Mr. Slaght, we are talking about two different propositions. We are talking at the same time about both (a) and (c).

WITNESS: Yes.

Mr. PRESTON: If the Radio Commission decides to go on the air more frequently than it is at the present time—in other words, if the Canadian Radio Commission decides to go on the air during the day, that will undoubtedly cost the Commission more money, as Mr. Charlesworth says. We are not asking that.

Mr. SLAGHT: No. Assuming they do, what then?

Mr. PRESTON: If the Commission does go on the air, then we ask you to make your facilities available to us for news broadcasts. If the Commission does not decide to go on the air during the day, we offer as a substitute No. 3 and the acceptance of No. 3 would cost the government nothing.

WITNESS: That would be most acceptable to us.

Mr. MARTIN: Why can that not be done?

WITNESS: I have got no objection to it.

Mr. MARTIN: I am just asking as a matter of information.

WITNESS: I do not see why it cannot be done.

Mr. MARTIN: It has never been proposed before.

WITNESS: It has never been proposed before. It is a new proposal, I believe.

Mr. LIVESAY: We only received the proposal last Friday and it was signed by both telegraph companies, and provided that our own directors would accept the bulletins, we are prepared to start, I think, on May 1. The only string the companies put on it is that there must be a minimum of 30 radio stations taking the service, paying for the service, and I think that is a very reasonable limitation.

WITNESS: I heard nothing of the matter until the submissions were distributed in the committee room this morning.

Mr. JOHNSTON: How do they expect them to get compensation for their work? I do not think there is any business organization that is going to give their time and services for nothing. There must be some way by which they are going to receive compensation.

Mr. LIVESAY: They get paid a fee from each station.

WITNESS: That is their business.

Mr. LIVESAY: They get a fee from each station.

Mr. SMITH: The telegraph company.

Mr. LIVESAY: Yes. The telegraph company get a fee from each station. They will allot it between them.

Mr. JOHNSTON: They are just making that to you?

Mr. LIVESAY: No.

WITNESS: To the public.

Mr. JOHNSON: From each station?

Mr. LIVESAY: They get \$10 a week from each station, the telegraph company, for land lines. There is a possible revenue there of about \$30,000 a year, I would think. At first it would be less than that. They would each get \$15,000 a year for setting up three times a day a wire network.

Mr. McINTOSH: There is a question that I should like to ask Mr. Charlesworth. Just before we launched into this branch of the discussion, he made a

[Mr. Hector Charlesworth.]

statement with regard to the limited financial resources of the Commission. Could he state just approximately the figure that he is referring to there?

WITNESS: Well, you see, our total parliamentary vote is only one and a half million dollars to cover everything, all services of every kind, and we are budgeted this coming year. If we contributed to that, it would just add \$100,000 to our wire charges.

Mr. McINTOSH: That is what I thought Mr. Charlesworth was referring to.

WITNESS: That would have to come off something else.

Mr. McINTOSH: Might I ask him just about what his budget would have to be in order to provide service that he might consider adequate?

WITNESS: Well, if the government favoured a plan whereby they should go into an expenditure, all they would need to do is put an additional vote in the supplementary estimates. That is all that is necessary.

By Mr. McIntosh:

Q. Have you any idea just what that vote should be?—A. Well, no. I cannot tell you offhand. That has to be gone into very carefully. I knew nothing about the third one; but in connection with the first proposition, the wire companies themselves were not prepared to tell me at 9.30 this morning.

Q. The whole situation, nationally, would have to be canvassed?—A. I saw the original brief, which has since been extended and amended, for the first time yesterday. So I asked the representative of the wire companies in our offices for the information, and he had not the information this morning. He said that it was necessary to go into this matter and have it accurate, because approximate figures would not do in connection with it.

By the Chairman:

Q. With regard to the news that is broadcast at 10.45 each evening, we get that through the stations in a national hookup?—A. Yes.

Q. Through CKY in Winnipeg?—A. Yes.

Q. Do you have to pay CKY in Winnipeg for that news bulletin, for the time?—A. Well, you see, we have leased certain hours of its time. It is included as a national network broadcast in the leased time that we have.

Mr. PRESTON: Perhaps I might explain the mechanics of the situation and make it a little clearer. At the present time the Canadian Press is on the air once only, at 10.45 in the evening. That news bulletin which amounts to, roughly speaking, 1,200 words is handed to the Commission at Toronto and broadcast over its network, by Commission stations, of course, only.

WITNESS: Network stations.

Mr. PRESTON: With the Commission not being on the air during the day-time, we have no means of supplying the stations from Halifax to Victoria with a news service, inasmuch as we send these bulletins over the telegraph at great cost. The cost would be practically prohibitive to the individual stations. For that reason it would solve our problems immediately if the commission should decide to be on the air during the day; because then we would do as we do at night-time merely hand the bulletin service to the commission at Toronto, and then it would be broadcast over its network.

Now, then, under No. 3, the telegraph companies have got together and they have suggested a plan at so much per week to each station at which they would supply a service. We would broadcast ourselves from Toronto; we would send the broadcast over the wires from our office in Toronto to all stations throughout Canada that agreed to make this contract with the telegraph companies. In that way it would be no cost to the commission and no cost to the government. The service would be prepared in Toronto by the Canadian Press free of charge

and sent over this telegraph hook-up to all stations in the country, the stations in turn paying the charge at so much per week to the telegraph companies for the service. Does that explain the difficulty?

Mr. RYAN: It is not correct that you are on the air all over at 10.45?

WITNESS: In the east it is eastern standard time.

By Mr. Slaght:

Q. Before we rise I should like to put this matter before you as chairman of the commission for your viewpoint, and perhaps direction. A member of the committee since the last adjournment asked me how he could get at what money was being spent in the payment of artists by the commission, and I told him my view was that the amount was included in your annual report of last year under the general item of programs?—A. Yes.

Q. And it totals the second largest expenditure, of which the largest is networks, being some half a million dollars. For programs you spent \$432,766. Now, I quite appreciate that to ask you to bring before us even one year's break-up or analysis of program expenditure would be a large task, and we could not wade through it; but I make this suggestion, having regard to what this member of the committee had in mind. Can you break down one week's program expenditure from your records, say in Toronto, as a typical district? Take the first week in June of last year. I select that without any object in view. Would you lay before us the artists you engaged, the fees you paid, and the money you spent on artists in that station for say one week in June of last year? I think the first week of June would give a cross-section view of what you are spending on the artists you are engaging, and what you are paying them. Without that knowledge we shall know very little about what is wrapped up in an item of nearly a half a million dollars of expenditure by the commission?—A. I would suggest, Mr. Slaght, that we make it say a week in February or a week at the end of November. In the summer months the people are out motoring and golfing and that sort of thing, and we do not spend as much money on programs.

Q. Whichever you think will give us a typical week.—A. Would you like a typical week for both Toronto and Montreal?

Q. Both Toronto and Montreal.

By Mr. Bertrand:

Q. If I may divulge a little secret, I am the member who asked for this information. But I should like to have it for more than one week. I have had a lot of people in my home during the week-end, and they have been talking about this committee. One of the most important matters about which the public is concerned, is the programs. I myself want to be fair. I do not want to condemn the commission if they should not be condemned; therefore I should like to have information on what is paid artists for more than one week. As you said before, they are very sensitive people. It may not be very easy to satisfy all of them. But this is an important thing. We want to know what has been paid artists?—A. I will give you a typical week.

Q. A week would not be satisfactory. We need more than that. People from the Maritimes have all talked about this matter, and they want to know why such and such an artist has been called twenty times or fifteen times and what has been paid. There are other charges to the effect that other artists should have been called during this time— —A. Are you asking me to give the payments of individual artists or the payments for programs? I do not think it is fair to give the payments of individual artists.

Mr. SLAGHT: Yes. I do not see any harm in the committee finding out what we paid to individual artists.

[Mr. Hector Charlesworth.]

Mr. McINTOSH: There is another aspect to this question. The memorandum that you would prepare would largely concern Quebec and Ontario. I think it should be national in scope. We should have an idea what is paid in the other provinces in the same two weeks.

Mr. RYAN: I agree.

Hon. Mr. HOWE: As minister in charge of the department I think we should take a little clearer view of this thing. After all, the Canadian Radio Broadcasting Commission is a commission set up by parliament to run broadcasting in exactly the same way as the Canadian National Railways. The Canadian National Railways refuse to give certain information they believe damaging to their business. I think if Mr. Charlesworth, as head of this commission, takes the view that the information would be damaging to his business, it should be privileged. It is not that we want to withhold anything. I think if he gives a typical week in any one month without disclosing the names of the individual artists or their salaries, it would be reasonable.

Mr. McINTOSH: Could we have the class, if we could not have the names?

WITNESS: My idea would be to give you what a large program costs for any one week. You see you will have one program supplied by a soloist pianist; another program would embrace orchestral performers and choristers, and embraces a program like "It came to pass." Programs are of so many different types, and I do not think it is fair to the artists themselves to say that this artist got so and so in any one week. I do not think it is good business. In reference to Mr. McIntosh's suggestion, I shall bring you what our monthly budget is for each section of Canada, what our allowance is for programs, and they are not supposed to go beyond that sum.

By Mr. McIntosh:

Q. Do you mean that you put that amount at the disposal of that part of the country? You seek to expend that sum—A. No, we do not seek to expend that sum. That is the maximum that we have to spend.

Mr. SLAGHT: I do not think, Mr. Chairman, with all respect that what Mr. Charlesworth suggests will give us much information. Perhaps this will safeguard what the minister has in mind and yet give us information. Can you give us a typical period across Canada, each of the six or seven districts for a week or two, whatever the case may be, and give us the expenditure, the names of the individual artists who were engaged, because there are complaints that there is discrimination against certain artists owing to the fact that others have the call, and that sort of thing. Without names we cannot tell anything about where this money is going. That, surely, is free from objection.

Hon. Mr. HOWE: Yes, quite.

Mr. SLAGHT: We will have the names and the bulk of expenditures. I want to get the individual cost of the program plus the name of every artist who appeared on that program. That is what I should like to have.

Hon. Mr. HOWE: Mr. Charlesworth is responsible for arranging these programs and I suggest it would be objectionable to start a dog-fight here as to why Mary Jones gets more than Jessica Smith.

WITNESS: That is not the point.

Hon. Mr. HOWE: That would not be helpful to the committee.

Mr. SLAGHT: My suggestion does away with that, because you won't know what Mary gets.

Mr. BERTRAND: Mr. Howe, there is a little more than that in the question. In Montreal there is a body of musicians known as the Trio Lyrique. They are very good musicians, as Mr. Charlesworth knows. They used to sing on the

radio commission. They are now in the United States and have been on the air for a year there at a high fee. They sing over station WABC. They went there because they could get no more engagements in Canada.

WITNESS: As a matter of fact, Mr. Bertrand—

Mr. BERTRAND: Sometimes it may not be fair to compare one artist with another, but these are outstanding artists.

WITNESS: That particular body of artists, as you know, is singing for less in the United States than they were receiving in Canada.

The CHAIRMAN: Gentlemen, it is ten minutes past one o'clock, and I think we should adjourn. I do not suppose we can meet until after Easter, but I should like to make a suggestion. I think we are going to have a lot of work after the recess. Would the committee agree to meet on Tuesday, April 21st? The house meets on the 20th.

Mr. McINTOSH: Could you not make it a day later in the week to give a chance to the members who come from a long distance?

The CHAIRMAN: Would Wednesday be all right?

Mr. MASSEY: I would suggest Thursday.

Mr. PRESTON: I want to thank the members of the committee for the patience with which they listened to our brief, which we intended to be very short, but which I am afraid extended into a very lengthy one. You agree that our attitude is entirely an unselfish one and our interest a national one.

The committee adjourned at one o'clock, to meet Thursday, April 23, 1936, at 11 a.m.

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SESSION 1936

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HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, APRIL 23, 1936

WITNESSES:

Lt.-Col. W. Arthur Steel, M.C., Commissioner, Canadian Radio Commission.
Mr. Stanley Maxted, Station Manager and Regional Program Director,
Ontario, Commission Station CRCT, Toronto.

OTTAWA
J. O. PATENAUDE, I.S.O.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
OTTAWA

ORDERS OF REFERENCE

THURSDAY, April 23, 1936.

Ordered—That the said Committee be granted leave to sit while the House is sitting.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

THURSDAY, April 23, 1936.

The Special Parliamentary Committee on the Canadian Radio Commission met at 11 o'clock a.m. this day, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present:

Messieurs: Beaubien, Bertrand (*Laurier*), Cahan, Campbell, Cardin, Cochran, Dupuis, Edwards, Grant, Howe, Johnston (*Bow River*), McKenzie (*Nee-pawa*), Mackenzie (*Vancouver Centre*), McIntosh, Martin, Massey, Plunkett, Ryan, and Woodsworth.—19.

In Attendance:

Lt.-Col. W. A. Steel, Commissioner, Canadian Radio Commission, Ottawa.
Mr. Stanley Maxted, Station Manager and Regional Program Director,
Ontario, Station CRCT, Toronto.
Mr. R. Lucas, Supervisor of Studios, Station CRCT, Toronto.

Present: (for call, if necessary)

Officials of the Canadian Radio Commission;
Mr. T. Magladery, Deputy Minister of Immigration;
Officials of the Radio Branch, Department of Marine, Ottawa.
Others concerned with radio matters.

The Chairman submitted the following list of communications, received since last meeting up to to-day's date, viz:

Mr. the President, Mount Allison University, Sackville, N.B. April 14.
Mr. W. J. Grummett, Sec., Ansonville Board of Trade, Ansonville, Ont.
April 4.
Mr. Henry A. Morton, President, Manitoba Motion Picture, 115 Maryland St., Winnipeg, Man. April 11.
Mr. F. B. Bowles, 10 Chamberlain St., Amherst, N.S. April 10.
W. J. Major, Attorney General, Winnipeg, Man. April 1.
Mr. D. Murray, President, University of Saskatchewan, Saskatoon. April 15.
Mr. Louis St. Laurent, K.C., 65 St-Anne St., Quebec, Que. April 9.
Mr. Alfred J. Wickens, Moose Jaw, Sask. April.
Mr. J. L. Ralston, K.C., Royal Bank Bldg., Montreal, Que. April 20.
Mr. S. P. Dunlop, President, Musicians' Federation of Montreal, Montreal.
April 8.
Mr. H. M. Thurston, 536 14th Avenue West, Calgary, Alta. April 4.
Reverend A. H. McGreer, M.A., D.D., M.C., Bishop's University, Lennoxville, Que. April 8.
Mr. Robert A. Falconer, President, University of Toronto, Toronto, Ont.
April 17.
Mr. G. F. Dewey, Sec.-Treas., Moose Jaw, Musicians' Association, Moose Jaw, Sask. April 8.
Miss Enid Johnson, Simcoe, Ont. April 9.
Mr. H. J. Cody, President, University of Toronto, Toronto, Ont. April 14.

Mr. Wm. O. Findley, Sec., Victoria Chamber of Commerce, Victoria, B.C. April 11.

Mr. Norman Robertson, 4314 West 13th Avenue, Vancouver, B.C. April 8.

Mr. Edward Dusang, 21 Granton Apts., Winnipeg, Man. April 9.

Two petitions from Tadoussac and Ste-Anne de Portneuf, Que. April 15.

Mr. W. J. Humphreys, Waldeck, Sask. April 16.

Mr. V. J. Pottier, M.P., Yarmouth, N.S. April 20.

Mr. Norman Prestley, Vice Pres., United Farmers of Alberta, Calgary. April 15.

Cecil C. Jones, Pres., University of New Brunswick, Fredericton, N.B. April 20.

Mr. William H. Fortington, 1238-50 Fullerton Ave., Chicago, Ill. April 15.

Mr. K. S. Rogers, Managing Director CFCY, 143 Great George St., Charlottetown, P.E.I. April 20.

Lt.-Col. R. P. Landry, Secretary of the Canadian Radio Commission, submitted:—

20 additional copies of Exhibit 4, previously filed.

20 additional copies of Exhibit 5, previously filed. (See evidence for detail).

Filed by Lt.-Col. Landry: Statement prepared by the representative of the Treasury, Department of Finance, *re* cost of programs of Commission for one week in February, 1936 (see evidence).

Considerable discussion took place respecting certain changes to be made in the personnel of the sub-committee on agenda, but matter was finally left in abeyance for the time being.

On motion of Mr. Martin;

Ordered: That Mr. Donald Henshaw, Toronto, be advised to hold himself available for appearance before the Committee, and that his travelling expenses be provided for.

On motion of Mr. Martin;

Ordered: That Mr. J. J. Gibbons, Toronto, be contacted with, and if he is not prepared to come before the Committee at his own expense, that his travelling expenses be provided for.

On motion of Mr. Martin;

Ordered: That a certain file in the Department of Immigration, in connection with the matter of Mr. Donald Henshaw, Toronto, be produced before the Committee, if possible at the present sitting; and that a request be sent immediately to the Deputy Minister to that effect; and that he hold himself in readiness to appear before the Committee when required.

On motion of Mr. Martin;

Ordered: That the Secretary of the Canadian Radio Commission produce the following:—

1. A statement of all cheques paid by the Radio Commission to one Donald Henshaw.

2. All correspondence between the Radio Commission and any other Government or any other body regarding the "Sage" broadcasts.

3. The letter given to Donald Henshaw by the Radio Commission in respect of facilitating his return from the United States to Canada on the occasion of visits by him from Canada to the United States.

Lt.-Col. W. A. Steel, called: The witness was examined at some length. During the examination, Hon. Mr. Howe filed an original letter from Mr. Charlesworth to the Minister, relating to the "Sage" broadcasts, in accordance with a request made for same.

After discussion it was decided that the letter should not be part of the record, until Mr. Charlesworth could appear before the Committee.

The witness retired.

Mr. Martin read from Hansard some statements made in the House by Hon. Earl Lawson, in February, 1936.

Mr. Stanley Maxted, called: During the examination of the witness he produced and filed sheets from the log of Station CRCT, with reference to the Sage broadcasts, to be marked as Exhibit No. 21. Additional logs to be produced at next meeting, if possible. The witness retired at 1 o'clock, to be recalled to-morrow.

On motion of Mr. Campbell, seconded by Mr. McIntosh, it was resolved: That this Committee report to the House for leave to sit while the House is sitting.

After discussion the Committee adjourned by general consent to meet again to-morrow (Friday) at 11 o'clock.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

OTTAWA, April 23, 1936.

The special committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 11 a.m., the Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will come to order now that we have a quorum, we shall proceed. I might state that the secretary of the Radio Broadcasting Commission has handed me a certain number of documents, the list of which reads as follows:—

LIST OF DOCUMENTS SUBMITTED TO SPECIAL COMMITTEE OF HOUSE OF COMMONS ON RADIO BROADCASTING

APRIL 23, 1936

1. 20 additional copies of instructions issued by the Canadian Radio Broadcasting Commission to station managers. (Ex. 4.)
2. 20 additional copies of instructions issued to station managers re use of records and electrical transcriptions. (Ex. 5.)
3. Statement prepared by the representative of the treasury, Department of Finance, showing cost of programs of the Canadian Radio Broadcasting Commission for the week ended February 8, 1936 as follows:—
 - (a) Summary of program costs by production centres for the above week and grand total for the Dominion.
 - (b) Names of participants in each program arranged by location and the title of each program with the cost of same.

I might inform the committee that before the Easter recess I tried hard to get a meeting of the sub-committee in order to plan the work for this meeting and I found it impossible to do so. Several members of the committee came to me and asked me to do certain things, or to request certain things, which I did. They requested me to ask the chairman of the Broadcasting commission to have Mr. Maxted of CRCT, Toronto, and Mr. Lucas, who are employees of the Radio commission, to be here and bring with them documents concerning the Sage broadcasts, and so forth. I was also requested to write Mr. Don. Henshaw of Toronto, asking him if it would be possible for him to be here. I received a telegram from Mr. Henshaw telling me that he would be pleased to be here, provided we sent him transportation and his expenses. He intimated that Mr. J. J. Gibbons probably could give more information concerning the Sage broadcasts than he could. As chairman of the committee I had no power to act, and I did not act any further regarding Mr. Henshaw's telegram.

I have received a request from the Attorney General of the Manitoba government, who is supposed to make representations in connection with the telephone system of the three western provinces before the committee. I also received a request from Col. Ralston, who is representing the Bell Telephone company, to be permitted to appear before the committee. The committee were asked also if it would be good enough to fix Tuesday, May 12, as the day to receive representations from these gentlemen. The reason the Attorney General of Manitoba is asking for that fixed day is that he has other business to do in eastern Canada at that time, and he would like to do both at the same time. I have not taken any action in regard to the matter, as that will be for the committee to decide.

Now gentlemen, judging by the correspondence and requests we have received, I do not know how we are going to carry on unless we get permission to sit while the house is in session; because the requests of different organizations, some of them very representative, who wish to appear before this committee, are numerous. I should like to bring that thought before you.

Mr. McINTOSH: Have we not permission to sit while the house is in session?

The CHAIRMAN: No.

Mr. WOODSWORTH: It seems to me that long before we ask to sit while the house is in session, we should determine more or less clearly what our program is to be. I am a member of the sub-committee. That committee has met only for organization. I think the sub-committee might as well be relieved of its duties, if we cannot get together, and a new committee appointed that will get together. It seems to me that we cannot go on in this haphazard way. The chairman does no care to assume more responsibility, and yet we are being called together from time to time to take up special matters that have not been decided upon by the sub-committee, and have never been before the committee as a whole. As I see it, we ought to have a very definite program worked out, or else we will get all balled up in this matter.

The CHAIRMAN: I might say that Mr. Howe, the Minister of Railways, was appointed chairman of the sub-committee, and he has been such a busy man that it has been almost impossible for him to call a meeting of the sub-committee. As far as I am concerned I have done everything in my power to do so. I was talking to Mr. Howe this morning, and I think it was pretty well agreed that he should be relieved of his duties on this committee, and that some one else should be appointed in his place, who would be more readily available than Mr. Howe. You can quite understand that Mr. Howe is a busy man, as he has a lot of legislation on the order paper.

Mr. McINTOSH: Could we have Mr. Howe's idea along that line?

Hon. Mr. HOWE: As I have just told the chairman, this morning, it is almost impossible for me to find time for every meeting scheduled. The Canadian National Railways committee is meeting this morning for organization, and they will be busy all next week. I have a lot of bills on the order paper that will keep me busy in the House, and I should appreciate it very much if I could be released from the sub-committee. I shall of course keep in contact with it.

Mr. BERTRAND: Whom do you suggest?

The CHAIRMAN: I might also inform the committee that Mr. Slaght, who was a member of the sub-committee was operated on this morning in the Toronto General hospital, so somebody will have to take his place on the committee. If you will permit me to choose someone to replace Mr. Howe and Mr. Slaght, I shall choose somebody who will find it easier to attend the meetings of the sub-committee in order to plan the work.

Mr. McINTOSH: I think the chairman should appoint the sub-committee as he did before.

Mr. BERTRAND: I agree.

Mr. McINTOSH: The quicker it is done, the better.

Mr. WOODSWORTH: Would it not be better to have some expression of the opinion of the committee as to the extent of the program that we are to embark upon; otherwise this will extend almost interminably.

The CHAIRMAN: At our first meeting, it was decided that the planning of the work would be left to the sub-committee. I think a sub-committee that can get together more readily than the one we have had should plan our work.

Mr. McINTOSH: I do not see how you can exactly plan the meetings from day to day or week to week. New questions will arise as we go along and require definite decisions. I think it would be wiser to leave that to the sub-committee.

Mr. EDWARDS: I agree with Mr. Woodsworth, but it seems to me that we should have some plan before us. We ought to know whether we are going ahead at this moment to meet a real situation, or whether it is a matter of raking over old sores. We should know what we are going to do and what we are here for.

Mr. RYAN: Is not that all settled? Are we not leaving that for the sub-committee?

Mr. EDWARDS: I do not think we should leave that to the sub-committee. We have our rights as members of this committee; at least, on every committee I have ever served we certainly have.

Mr. RYAN: I do not think we are taking any rights from anybody. I am not on the sub-committee, but I think it must be left to somebody to carry on the business. The sub-committee is the proper one to do it.

Hon. Mr. MACKENZIE: We are governed by the terms of the reference.

The CHAIRMAN: I might say that no matter what action the sub-committee takes in planning the work of this committee, every member of the committee still has his rights.

Mr. EDWARDS: I realize that. I do not care what it is so long as we know where we are starting from. I am not criticizing in any way anything that has been done. It is all right just so long as we know where we are starting and how we are going to get on.

The CHAIRMAN: Of course we have to stick to the order of reference.

Mr. MARTIN: Mr. Chairman, I had in mind your telegram from Mr. Henshaw. I will move that this committee arrange to meet his travelling expenses, and that he hold himself available to be here at the committee's call or at the Chairman's call on behalf of the committee; and that the same should apply to Mr. J. J. Gibbons.

The CHAIRMAN: Would you mind repeating that, and the clerk will take it down?

Mr. MARTIN: In view of the fact that Mr. Donald Henshaw has by telegram intimated to the Chairman that he is not prepared to come unless his expenses are taken care of, I move that the necessary expenses be forwarded to him, with instructions that he hold himself in readiness to appear before the committee at the call of the Chairman. Does that require a seconder?

The CHAIRMAN: No, it does not require a seconder.

Mr. MARTIN: Then with regard to Mr. Gibbons, has he signified whether or not he will come at his own expense?

The CHAIRMAN: I have not had any contact with Mr. Gibbons at all.

Mr. MARTIN: I would move that he be contacted. Possibly he is prepared to come at his own expense. If not, I would move that he be furnished expenses to be here at the call of the Chairman.

Mr. BERTRAND: Every time we need somebody from outside, is it absolutely necessary that we make a motion for his expenses to be paid? There are some from Montreal that are going to come. I do not know whether they will come voluntarily or not.

The CHAIRMAN: If it is necessary to pay their expenses, there must be a motion.

Mr. BERTRAND: In each case?

The CHAIRMAN: Yes.

Mr. EDWARDS: Are we not obliged to pay their expenses if we request them to come here?

The CHAIRMAN: We are obliged to pay their expenses if we send for them.

Mr. EDWARDS: Surely.

Mr. McINTOSH: Why send for a person if he is not a material witness? If you send for him you have got to pay his expenses. I think it is more dignified, if you want him and he is important, to let him know right away and not talk about expenses at all.

The CHAIRMAN: Yes. But, Mr. Woodsworth, if you ask a man to be available—

Mr. McINTOSH: Do not call me Mr. Woodsworth.

The CHAIRMAN: I might say I was just looking at the top of the head and did not see very much difference.

Mr. MASSEY: I am sure an apology is necessary.

The CHAIRMAN: In the case of a gentleman whom you wish to have before the committee who intimates that he is willing to come providing his expenses are paid, I think that is the proper way to do. Shall the motion of Mr. Martin carry?

Motion agreed to.

Just before you go on, Mr. Martin, I might say that this committee must stick to the order of reference from the House of Commons, unless the committee decides to ask the House of Commons to amend its order of reference.

Mr. JOHNSTON: Is it the intention that the committee will lay out a program so that we will know exactly what is coming?

The CHAIRMAN: Yes. We have just discussed that. The personnel having been changed and being more available than in the past, when the minister was not able to attend, the sub-committee will meet as soon as possible and plan out the work. The order of reference is to inquire into the operation of the Canadian Radio Commission and its administration of the Canadian Radio Broadcastig Act of 1932 and amendments, and the regulations made under authority thereof: to advise what, if any, changes shall be effected in the existing system of radio broadcasting; and whether the said statute and regulations should be amended in whole or in part; and what, if any, additions should be made thereto; also to inquire into the extent to which there has been any abuse of broadcasting privileges, either for political or advertising purposes, and to advise as to what principles should govern the regulation or control thereof.

Having gone so far as to ask the Commission to see that Mr. Maxted and Mr. Lucas be here this morning, and also in view of the fact that Mr. Martin has made a motion which has carried, is it the wish of the committee that we go on with clause 3 of the order of reference, which is to inquire into the extent to which there has been any abuse of broadcasting privileges either for political or advertising purposes?

Mr. BERTRAND: Yes.

Mr. CAMPBELL: In view of the fact that previous evidence has shown that this matter comes to the fore in nearly every case, and we are trying to lay a basis regarding the business, I think therefore we should dispose of it first and get it out of the way.

The CHAIRMAN: Is that the wish of the committee?

Mr. RYAN: Do you want a motion, Mr. Chairman?

The CHAIRMAN: No. There is no necessity for a motion if it is agreed.

Mr. MARTIN: Mr. Chairman, I wonder if we could have production now, through a messenger, of a file in the Department of Immigration, so that it would be available to the committee before we adjourn? The file is presumably entitled "In the matter of Donald Henshaw." You could send a messenger and that could be before the committee before we adjourn.

The CHAIRMAN: Have you just what you want there?

Mr. MARTIN: Yes. There is a file. I do not know what the title is, but it deals with the case of Donald Henshaw. I think the Deputy Minister will likely know where the file is, and I think a messenger should be sent to him so that production of the file may be made, and that it may be available to the committee before we adjourn to-day.

The CHAIRMAN: Does the file contain correspondence with Donald Henshaw?

Mr. MARTIN: It is the file regarding Donald Henshaw. I do not know what is in it.

The CHAIRMAN: Do you make a motion?

Mr. CAMPBELL: I shall be glad to move it.

Mr. MARTIN: I move that, Mr. Chairman.

Hon. Mr. MACKENZIE: I suppose the Deputy Minister would have to appear himself.

Mr. CAMPBELL: We could ask for production of the file and that the Deputy (Mr. Magladery) be held in readiness.

Mr. MARTIN: I do not want Mr. Magladery particularly. What I wanted was the file. I wanted to look through it. If that file does not contain an order for the deportation of Donald Henshaw, I would ask for the production of the order for deportation of Donald Henshaw, which document should be in the Department of Immigration.

The CHAIRMAN: I think, Mr. Martin, we could ask for the file; and if the information that you desire is not there, we can ask them to produce it.

Mr. MARTIN: I just want to facilitate matters. I have certain questions that I want to ask later on, and to facilitate those questions I wonder if I might ask for certain other productions?

The CHAIRMAN: Yes.

Mr. MARTIN: Is anybody from the Commission here? Is the Secretary of the Commission here?

The CHAIRMAN: Mr. Landry is here.

Mr. MARTIN: I wonder if he would be good enough to produce, and I would make a motion to that effect, all cheques paid by the Radio Commission to one Donald Henshaw, for the convenience of this committee; also all correspondence between the Radio Commission and any other government or any other body regarding the Sage broadcasts. I should also like to ask for the production of the letter given to Donald Henshaw by the Canadian Radio Commission in respect of facilitating his return from the United States to Canada on the occasion of visits by him from Canada to the United States.

The CHAIRMAN: Is that all, Mr. Martin?

Mr. MARTIN: Yes.

The CHAIRMAN: Have you got that, Mr. Landry?

Mr. LANDRY: Yes sir.

Mr. MARTIN: There is just one more that I forgot. I should like production of all contracts and records showing payments for the Sage broadcasts that may be in the possession of the Radio Commission.

The CHAIRMAN: Is that all?

Mr. MARTIN: Yes.

The CHAIRMAN: Mr. Landry has that. Mr. Charlesworth has sent me a telegram saying that he would be unable to be here to-day on account of illness. We have Col. Steel here and we have Col. Chauveau, as well as Mr. Macted and Mr. Lucas. What is the wish of the committee?

Mr. MASSEY: Mr. Chairman, before we determine what we are going to go ahead with this morning, may I inquire what is the purpose of what we are about to do? This morning there is placed before us the script which was used in one of the Sage broadcasts; at least, I presume that is what it is. We have heard the request this morning for the production of various papers concerning one Don. Henshaw. I think it is only fair that the committee be apprised of what the purpose of all this is at the moment.

The CHAIRMAN: I think the term reference, which it was agreed that we should take up, covers that, Mr. Massey.

Mr. MASSEY: By whom was it decided that this one particular broadcast be the point of investigation?

The CHAIRMAN: Just a few minutes ago.

Mr. MASSEY: This one particular broadcast?

Mr. CAMPBELL: No, any broadcast.

The CHAIRMAN: No. I mean any broadcast. Any member of the committee has a right to ask for the investigation of any political broadcast he wishes.

Mr. MASSEY: I just wanted to know.

Mr. McINTOSH: The whole political perspective of the Commission, if any, should be gone into thoroughly.

The CHAIRMAN: The order of reference covers that. What is the wish of the committee?

Mr. CAMPBELL: I think we should hear from Col. Steel first.

The CHAIRMAN: Is it the wish of the committee that we should hear from Col. Steel?

Mr. CAMPBELL: In view of the absence of Mr. Charlesworth.

The CHAIRMAN: Col. Steel, will you kindly come forward.

Col. W. A. STEEL, called.

By Mr. Campbell:

Q. Col. Steel, you were appointed to the Commission early in 1933, were you not?—A. Yes.

Q. In what capacity, at that time?—A. As commissioner.

Q. Was that the first connection you had with the Radio Commission?—A. Yes.

Q. What had you been doing previously?—A. I had been with the National Research Council.

Q. Are you still connected with any other government department?—A. I am still a member of the Department of National Defence, seconded to the Research Council and then to the Broadcasting Commission.

Q. As a member of the Commission, what duties have you been carrying out, mainly?—A. Largely those connected with the technical side of the Commission's activities.

[Lt.-Col. W. Arthur Steel, M.C.]

Q. Is that entirely regarding the matter of station wave lengths and so on, or does that include business as well?—A. General engineering matters pertaining to both our own stations and privately owned stations in Canada. Naturally, in addition to that, I take my own fair share of the Commission's work.

By Mr. Dupuis:

Q. Are you an engineer by profession?—A. Yes.

By Mr. Campbell:

Q. Did you practise as an engineer?—A. Yes.

Q. Where?—A. Toronto and Northern Ontario.

Q. As an electrical engineer?—A. Yes.

By Mr. McIntosh:

Q. You are a graduate of what university?—A. Toronto University.

Mr. CAMPBELL: In view of the fact that we are going to have the matters affecting the business a little later, probably it would be just as well if we were to have the political connections.

By Mr. Martin:

Q. Col. Steel, having in mind that you are one of the members of the Commission, I wonder if you could tell the committee just what you, as one member of that body, would have to do, for instance, with a broadcast that is now commonly known as the Sage broadcast?—A. I had nothing to do with it.

Q. Nothing whatsoever?—A. Nothing whatsoever.

Q. Having in mind that you are more or less on the technical side, did you have anything to do with arranging for the technical facilities of the Sage broadcasts?—A. Nothing whatsoever.

Q. Nothing whatsoever?—A. No.

Q. Did the Chairman of the Commission at no time discuss features of any sort of the Sage broadcasts with you?—A. Yes, he did.

Q. Would you mind relating to the committee the nature of that discussion?—A. When the Sage broadcast was considered first, and during the first two or three actual broadcasts, I was away from the Commission on leave. I came back about the middle of August or perhaps a little later. I have forgotten the date. One or two of these broadcasts had been taken place. I understood then from Mr. Charlesworth that there had been some complaints and that he had taken action.

Q. By the way, Col. Steel, can you tell us whether or not the logs of these broadcasts are in the possession of the Commission?—A. I cannot speak from personal knowledge.

Q. You cannot speak from personal knowledge?—A. No.

Q. I am sorry; I am afraid I interrupted you there.—A. No, I was through.

Q. Were you informed of the nature of the complaint?—A. Yes. I was told by Mr. Charlesworth that there had been complaints about certain things said during the Sage broadcasts. He further told me that he had written to the responsible parties in Toronto requesting that changes be made, but I did not see the correspondence.

By Mr. Campbell:

Q. That changes be made—in what way do you mean?—A. I cannot tell you anything further. I did not see the correspondence.

By Mr. Martin:

Q. Did Mr. Charlesworth ask you to go to Toronto in connection with complaints that were made?—A. No sir.

Q. Are you in a position to tell us from what station those broadcasts emanated?—A. No sir.

Q. What is the government station in Toronto?—A. Station CRCT.

Q. Then I take it you cannot tell us whether the Sage broadcasts emanated from that station or from a private station?—A. No, sir. I cannot tell you.

Q. I take it that you could not tell us who arranged for these broadcasts?—A. No, sir. I do not normally handle the commercial activities of the Commission, and any information I might have—

By Mr. Campbell:

Q. Who handles those?—A. They are handled by Mr. Charlesworth directly, with the staff, the part of our staff responsible for commercial work.

Mr. McINTOSH: I am not just quite clear on Col. Steel's statement. At the beginning he stated that he was a member of the Commission. If he is a member of the Commission, would he not be responsible, individually, for what the Commission did in the way of the technical workout for any broadcast?

WITNESS: There was no special technical work in connection with the Sage broadcasts of which I am aware.

Mr. DUPUIS: If I remember rightly, at the beginning you said that outside of your technical work as an engineer you took your equal share in the work of the Commission, as a commissioner.

Mr. McINTOSH: That is my point exactly.

By Mr. Dupuis:

Q. I understand that you sit as a commissioner on any questions that might arise before you?—A. Correct, sir.

Q. Then as a commissioner, bearing your own responsibility, you cannot tell this committee personally what the stand of the Commission was?—A. I have already told you that I was not in Ottawa when this matter came up. I was not here to take any part in the Commission's activity.

Q. Did you ever protest or dissent from the decision of the Commission about the Sage broadcast?—A. No, I did not, because I did not hear the Sage broadcast. I had no definite information on it whatsoever.

Q. This question was never brought before the Commission after you returned?—A. Except the report by Mr. Charlesworth to the effect that he had taken action in my absence?

Q. Did you protest or ask the secretary of the commission to register your dissent?—A. I did not, I saw no reason for doing that.

By Mr. McIntosh:

Q. Were all of the Sage broadcasts over by the time you returned?—A. No, sir, I think there were two.

Q. I imagine that if they were not all over and two were to come that as a member of the commission you ought to have had some say in connection with the Sage broadcasts. But you say you did not sit in on the Commission with regard to any aspect of the question?—A. No.

By Mr. Martin:

Q. Did Mr. Charlesworth tell you that some members employed by the Radio Commission had participated in these broadcasts; that is, the first two that you heard of on your return?—A. I do not remember Mr. Charlesworth telling me that, no.

Q. Did anyone tell you that members employed by the Commission were receiving moneys from the Commission for participating in these broadcasts?—A. No, I do not think I had that information given to me.

[Lt.-Col. W. Arthur Steel, M.C.]

By Mr. Edwards:

Q. Do you at any time in connection with these broadcasts have anything to do with the subject matter, either in your capacity as a commissioner or as a member of the general commission, or individually?—A. When you say the subject matter, do you refer to the continuity of the broadcasts?

Q. No, not the technical part?—A. No, no, I mean the continuity, the material which is actually broadcast.

Q. That is the idea?—A. No. Ordinarily, that would not come before me; that would go to Mr. Charlesworth.

Q. So in regard to the Sage broadcasts you would be in the same position?—A. Yes.

By Mr. McIntosh:

Q. You would not know what the subject or theme of the broadcast was to be?—A. I would not.

MR. MCINTOSH: Well, as member of the Commission that is a rather peculiar admission.

By Mr. Martin:

Q. Did you not have a discussion with Mr. Maxted who is now regional director of the Radio Commission station in Toronto about the Sage broadcast after your return and before the last broadcast had expired?—A. I do not remember such a discussion.

Q. Did you have any correspondence with him?—A. No, sir.

Q. Do you know Donald Henshaw?—A. I know him to see him, yes.

Q. Has he ever been in your office in the commission?—A. I do think so.

Q. Have you ever sent Donald Henshaw on Commission business to the United States?—A. No, sir.

Q. Do you know whether or not he did some work for the Commission in the United States?—A. No, sir, I do not.

By Mr. Ryan:

Q. Did Mr. Charlesworth tell you there had been some complaints in connection with the broadcasts?—A. Yes, sir.

Q. Did you ask him what the nature of the complaints were?—A. Well, he told me it was what had been said during the broadcasts.

Q. Is that all he said?—A. He mentioned it was personalities.

Q. Did he say anything else?—A. No.

Q. Did you make any further inquiries?—A. Not directly.

Q. Were you not interested?

MR. MASSEY: Perhaps, Colonel Steel, there were so many personalities dealt with at that time—

WITNESS: What do you mean that I was not interested?

Q. Interested in the question of broadcasts of that type going over the air?—A. I knew Mr. Charlesworth was in a far better position to handle the complaints than I was.

Q. But you were a member of the Commission?—A. I was.

Q. Were you not interested?—A. I had sufficient confidence in Mr. Charlesworth to know that if he thought action should be taken and had taken action I was quite prepared to back him.

Q. You left that to Mr. Charlesworth?—A. Yes.

By Mr. Martin:

Q. Would you give us some more particulars about these complaints? You told us that Mr. Charlesworth said there were complaints, and your answer to Mr. Ryan was that there was some discussion about personalities. Would you

kindly elaborate on your statement and give us some details as to what Mr. Charlesworth told you about these complaints, who sent them, were they complaints by letters or were they complaints by telephone?—A. As far as how the complaints reached the Commission, I cannot tell you that.

Q. Tell us something about the complaints specifically and in detail?—A. I do not think I can give you any further details, except that Mr. Charlesworth explained to me that there were complaints about personalities contained in the continuity of the broadcast itself.

Q. Or about complaints about any other broadcasts?—A. I am afraid your question is too general.

Q. You told us, Colonel Steel, that Mr. Charlesworth told you there were complaints about the Sage broadcast?—A. Yes.

Q. Were there any complaints to your knowledge, as related by Mr. Charlesworth, with respect to political broadcasts other than the Sage broadcasts?—A. Are you referring now to the entire campaign?

Q. Yes, with regard to any political party, if you want to put it that way, or any political broadcast whatsoever?—A. I do not think I could put my finger on any discussion about any particular broadcast.

By Mr. Campbell:

Q. Your Commission were never called together to decide—I take this from the impression you left—upon any policy regarding political broadcasts during the campaign? Is that correct?—A. That is hardly correct. Before the campaign began we had a discussion as to how best to handle the matter. We realized there might be trouble, and we decided that we would have to exercise such powers as we had in order to see that the time was properly divided. Now, under the regulations it is the responsibility of the station manager to see that the broadcasts over his station come within the regulations.

By Mr. McIntosh:

Q. But he would be responsible to headquarters, would he not?—A. He is responsible for what is broadcast over his station, and if he does not make a complaint we would not get any information with regard to it until the complaints began to come in from outside.

By Mr. Campbell:

Q. But you were never called together after these complaints? Apparently there is no doubt that Mr. Charlesworth had complaints regarding broadcasts, not necessarily this one, and you were not called together as a Commission to set any policy as to what you would do?—A. Not while I was there.

By Mr. Martin:

Q. At this meeting that you speak of before the campaign when the commission discussed rules that should be employed in giving equity to all political parties was there any discussion as to the Commission's responsibility in arranging for the broadcasts of any political party? Do you know whether or not the Radio Commission did arrange for broadcasts or portions of broadcasts of any political party?—A. We did for all political parties.

Q. Well, for instance, did you arrange, let us say for a speech of the present Prime Minister through the Radio Commission with private stations or with your own stations?—A. I believe we did.

Q. Or was that done through an advertising agency?—A. Perhaps I could save time if you would let me explain how these matters are handled.

[Lt.-Col. W. Arthur Steel, M.C.]

Q. Yes.—A. We have a department there that looks after the wire line service for any broadcast whether it is a political broadcast or any commercial broadcast. An application is made through that department for certain times. We investigate to see whether or not stations and lines are available. If they are not, we try to make adjustments so that the party enquiring can get the service that he or she requires. If that can be done, a contract is signed for the time, and that is as far as we go. We do that with any commercial applicant or with any political applicant. As far as I know, all applications from all political parties came in the same way.

Q. To be more specific, Colonel Steel, can you tell the committee whether or not with respect to the Sage broadcast that broadcast was arranged through the Radio Commission or through a private advertising agency?—A. I cannot tell you from my own knowledge.

Mr. EDWARDS: Mr. Chairman, as Colonel Steel says he cannot answer that on his own knowledge I think we should have someone here who, from his own knowledge, can give that information.

By Mr. Dupuis:

Q. Have you a book of minutes of the deliberations of your commission?—

A. The secretary will have the book of minutes.

Q. Is this discussion and decision of the commission about these broadcasts recorded in that minute book?—A. Such discussion as took place in the commission will, of course, be on the minutes.

Q. Was the question before you decided by the commission as a commission and recorded by the secretary?—A. What question?

Q. The question of political broadcasts. Each time a political party applies for a certain limit of time, is that discussed by your commission and a decision recorded in the minute book?—A. No, sir, we do not discuss each individual application for time before the commission itself. That is handled by the department looking after the commercial broadcasts.

Q. You stated that you were absent. To be precise, can you tell the date of your absence?—A. I could get that for you.

Q. You have not that in mind?—A. I have not got it here.

Q. Was it previous to the 14th October?—A. Yes, sir.

Q. Was it due to illness or a holiday, or what was the cause of your absence?—A. A statutory leave.

Q. I beg your pardon?—A. It was a statutory leave.

Q. Do you know for how long a period?—A. I think I was gone practically three weeks.

Q. I understand that each party had a certain limit of time for their political speeches, liberals, conservatives and others; is that true?—A. There was no definite limit set, no, sir.

Q. No definite limit set?—A. No definite limit set. I have already said that we simply decided that we must make an equitable distribution of time, and I believe that was done.

Q. From the minute book of the commission could we find out what was allotted to the conservatives and how much time was allotted to the liberals and the other parties?—A. From the records of the commercial department of the commission you could get all that information.

Q. Have you that here?—A. I have not.

Q. Could you have these record books brought up at the next sitting?—A. That information can be obtained, yes, sir.

Mr. DUPUIS: It seems to me, Mr. Chairman, that it is very important that we should know exactly what occurred, as to how much time was allotted to Mr. Sage.

Q. You cannot tell that from memory?—A. No, sir.

Q. We would like to have that information?—A. If I might make a suggestion to the committee, I would suggest that the man in charge of our commercial department, Mr. Powell, would be the man to call. He will have all this information as he handled not only the Sage broadcast but other commercial and political broadcasts that took place during that period.

By the Chairman:

Q. Mr. Powell is not here?—A. He was here this morning, but I am not sure that he had this data with him.

By Mr. Martin:

Q. Colonel Steel, I should like to ask you one more question. Having in mind that you are a member of the commission, would you think it proper for the commission to arrange for broadcasts or portions of broadcasts of any political party in view of the request of private stations or a private station that all such arrangements should be lodged through a private advertising agency?—A. I do not know that that request was ever made to the commission.

Q. I am not asking you that. Would you consider, in the light of your experience on the commission, that that would be a proper thing for the commission to do?—A. I do not believe I understand your question.

Q. Well, may I put it to you another way. I have already asked you, having in mind that we are talking about political broadcasts, whether or not the commission made it a practice of arranging for the political broadcasts of any political party. Your answer to that was that the commission did that for all political parties. Then, if you remember, I was most specific and we confined ourselves to a portion or to the entire Sage broadcasts. The question I have now asked you is, in the light of your experience as a commissioner do you think it is good practice for the Radio Commission—I am not saying that it did—I am merely asking if you think it is good practice for the Radio Commission to arrange for the political broadcasts of any political party, particularly when a request is made by a private station or stations that such arrangements should be made by a private advertising agency?—A. If I understand you correctly I think the only question we would have to settle would be whether or not the parties approaching us were financially responsible.

By Mr. Campbell:

Q. Regardless of whether they were political parties?

By Mr. Bertrand:

Q. And regardless of what they were going to say?—A. Regardless of who they were so long as they are financially responsible for the time they asked. We would then be justified in making such arrangements as we suggested.

By Mr. McIntosh:

Q. Subject to an analysis of the subject-matter to be broadcasted?—A. That is the case with every broadcast, sir.

By Mr. Martin:

Q. I do not think my question has been understood by Colonel Steel. Do you think that the Radio Commission, in respect of programs to be paid for by political parties, should function in that particular as an advertising agency does?—A. We do not function as an advertising agency.

Q. I am not asking if you do but do you think the Radio Commission with regard to political broadcasts should function as a private agency does for political broadcasts?—A. I see nothing wrong with it.

Q. You see nothing wrong with it—A. No.

[Lt.-Col. W. Arthur Steel, M.C.]

By Mr. Campbell:

Q. Would you class that with other broadcasts?—A. That has been classed as other commercial broadcasts.

Q. You mean the commission does not draw any line in dealing with political broadcasts and the regular commercial business?—A. It is all commercial business.

Q. I know that is true; that it brings many to the commission and in that sense it can be called commercial; but as I understand it you have certain regulations regarding political broadcasts; that in the practice of radio there is some difference, and I take from what you say now that you consider there is no difference between a political broadcast and a commercial broadcast?—A. I might make it a little bit clearer in this way. There are two distinct points of view from which you have to view any broadcast. One is a pure matter of timing up a number of stations by line at a certain given time and date. That is the commercial end of it. The lines must be paid for, and so must the stations. Now, when we tie that up we must definitely know that the party with whom we are dealing is financially responsible. In that regard there is no difference between an ordinary commercial broadcast and a political broadcast, as both require time, lines and stations, and all three must be paid for. Therefore they are all together from that point of view.

The other point of view is entirely different, and that is a question of the content of the actual matter broadcast over that chain. Now, those two functions of the commission naturally function separately. One is handled by our commercial department, and from that point of view I say there is no difference between a political broadcast paid for and a commercial paid for.

When it comes to the question of studying the content, or regulating the content of that program, that comes under our regulatory functions. In that regard our regulations say very clearly that the manager of the station is responsible for assuring himself that the content or continuity of that program to be broadcast over his station comes within the regulations. If he is in doubt as to the nature of the broadcast, he will ask for the continuity. If he looks it over and finds it all right, he will pass it. If he does not he may then go back to the originator asking for changes, or he may submit the matter to us. The commission, as a commission, would only function in connection with such complaints received from a station manager,

By Mr. Ryan:

Q. Has he the sole responsibility?—A. Under the regulations.

By Mr. Edwards:

Q. As I understand it, that is what Mr. Charlesworth told us the other day?—A. I believe he did.

Q. Speaking about these broadcasts and the manuscripts, do they submit them to the management prior to the broadcast?—A. They may if the station manager requests it.

Q. If he has reason to suspect that some undesirable broadcast may be made?—A. Then it is duty to ask for a copy of the continuity.

Q. Yes. You three could not regulate the thousands of broadcasts going out all over the country?—A. The commission, a commission of three men, could not possibly do it. We must have any number of men on the job as station managers.

Q. Yes, superintendents of particular areas?—A. Yes.

Q. You are the general manager of the whole organization and he is responsible to you. If he does something that is not right he has to answer for that to you?—A. That is the system.

By Mr. McIntosh:

Q. The responsibility of the station doing the broadcasting also implies a responsibility on the part of the commission as a whole, does it not?—A. Oh, no.

Q. Yes?—A. We depend upon the man at the point; that is, the station manager to carry out our regulations.

Q. And if you have a station manager there who has made a blunder or a mistake, that mistake or that blunder must to a very large degree react on the commission as a whole. There is no getting away from that, is there?—A. Quite correct.

By Mr. Martin:

Q. So there will be no misunderstanding, Colonel Steel, with regard to your answer to my question; is the committee to assume from your answer that the practice of the commission has been to compete with representatives of political organizations and advertising companies?—A. I do not think the term "compete" is correct. We are available there, and are prepared to make this arrangement provided any responsible individual or agency so wishes.

Q. I see; then you actually solicit business?—A. No, sir.

Q. You do not?—A. We have no agencies.

Q. Do you know whether or not one large private company refused to deal through the commission with regard to political broadcasts on the ground that it did not think it would receive immediate payment for its services in connection with broadcasting?—A. No, sir; I never heard of that.

Q. You did not know that?—A. No.

By Mr. Campbell:

Q. Would Mr. Powell know that?—A. He might know it.

By Mr. Martin:

Q. Do you know whether or not there are outstanding accounts owing to the commission for services rendered in respect of political broadcasts?—A. I think they have all been settled.

Q. You think they have all been settled?—A. Yes, I think they have all been settled now.

Q. Why do you think that?—A. Because at a recent meeting of the commission I understand we were told that cheques had come in now to cover the outstanding liabilities.

Q. I see. I would like to ask Colonel Steel one more question: I asked the Minister of Railways (Hon. Mr. Howe) if he would be good enough to bring his file in respect to certain correspondence that passed recently between the chairman and himself—I wonder if that is available now, Mr. Howe?

Hon. Mr. HOWE: I think the chairman has it.

Mr. MARTIN: We will want to have that put in as one of the exhibits, and I want to ask Colonel Steele something about it.

Hon. Mr. CAHAN: Would the minister explain the nature of the correspondence so that we will be in a position to understand what it means.

Hon. Mr. HOWE: I was asked to produce an original letter from Mr. Charlesworth to myself in connection with the "Sage" broadcasts, written some three or four months ago. That is the only correspondence I have on the subject, but one letter from Mr. Charlesworth to myself explaining what happened there.

By Mr. Martin:

Q. Colonel Steele, referring to a letter the original of which I have before me and which is dated November 20, and purporting to come from Mr. Charlesworth to the Minister of Railways, can you tell the committee whether or not that letter was discussed with you by Mr. Charlesworth before being written?—A. No, sir, it was not.

[Lt.-Col. W. Arthur Steel, M.C.]

Hon. Mr. CAHAN: One moment, please. Let us have this right.

Mr. EDWARDS: Let us get these questions right.

Hon. Mr. CAHAN: Let us have some of the particulars as to date, and so on. Is this a letter written to the Minister of Railways prior to October 14 last?

Mr. MARTIN: This letter was written under date of November 20, 1935.

Mr. CAHAN: This is apparently correspondence between Mr. Charlesworth and the Minister. If it is the intention to make it a public document it should be put on the record.

Mr. MARTIN: That is my intention.

Hon. Mr. HOWE: I will be very glad to see that copies of this letter are available to any member of the committee who wishes to have one. It was not sent to myself alone, copies were sent to others. It is not a private document at all, and I may say there is nothing of particular importance in it.

Mr. MARTIN: My intention certainly was that it should be available to the committee.

Hon. Mr. HOWE: I was asked to produce it, and I presume it will be on the record.

Hon. Mr. CAHAN: I would simply say to the minister that if we are to regard this as documentary evidence in regard to the matter we should have it properly produced.

Mr. CAMPBELL: It will be in the record.

Mr. EDWARDS: But, we should have it first.

Hon. Mr. HOWE: If any of you gentlemen would like to see it I will be glad to pass it over.

Mr. MARTIN: I think possibly the best course would be for us to read it into the record right now.

Mr. WOODSWORTH: Just before you go into this matter: as a member of this committee I am utterly at a loss to know where we are going.

Hon. Mr. CAHAN: Hear, hear.

Mr. WOODSWORTH: With all deference to my friend Mr. Paul Martin, I am an ordinary layman, not a lawyer, I am glad to say. We are transforming this committee into a police court and we have a prisoner in the dock. We are treating him as if he were a criminal. I really think that as a scientific man he ought to be allowed to give his explanations in a scientific sort of way; that we should accept that situation. I think if he tells us that it is not being considered a part of his duties to deal with these matters we ought to take that. We may not agree with the policy of the commission in assigning one type of duty to one man and another type of duty to another; that is another matter, but so far as the witness is concerned I cannot see why we should continue to badger him.

Hon. Mr. MACKENZIE: There is no "badgering." I think witness has been very fairly treated, and he has given very fair answers. The questions have been fair too.

Mr. WOODSWORTH: That may be. As I said, I am not so familiar with the procedure of courts as are some of the other gentlemen. It seems to me that the least Mr. Martin, or any other gentlemen, in prosecuting this matter can do, is to give us their aim, give us an idea as to just what they want to get at with regard to this whole "Sage" business. I venture to say that because I think it would facilitate the work of the committee.

The CHAIRMAN: I might say, Mr. Woodsworth, that Colonel Steel is certainly not being treated as a criminal; because he is not even under oath yet.

Mr. MARTIN: I think the question raised by Mr. Woodsworth is a proper one, and as I have taken some prominence in the questioning this morning I

want to say that I did so simply because I thought that as a member of the committee it was my duty to know as much about the subject matter involved as I possibly could. I have taken some pains to go out and obtain this knowledge and information—and at my own expense, incidentally—and it is on this information that my questions have been based; both with respect to the questions I have put to this witness and those which I would like to put to other witnesses. There was no particular intention in my mind to act in the role of prosecutor; if that applies then I think Mr. Woodsworth is a little worse than a lawyer, he thought he was acting as attorney for the defence.

Mr. WOODSWORTH: I was going to suggest the other day when Mr. Charlesworth was before us that we really ought to appoint someone to act for the defence.

Hon. Mr. MACKENZIE: Counsel only assist the committee in getting at the facts.

Mr. WOODSWORTH: But I do suggest, Mr. Chairman and Mr. Minister—and we as a committee perhaps have the right to ask this—just what are we trying to get at in regard to this thing.

The CHAIRMAN: Just a moment, please. I think what we are doing to-day is what the committee decided on a few moments ago; that we would investigate the political broadcasts during the last campaign.

Mr. EDWARDS: Does that mean one political broadcast?

Hon. Mr. MACKENZIE: No.

The CHAIRMAN: Any and all political broadcasts. What Mr. Martin is trying to get at is information that would be of value to the investigation. I do certainly think that Mr. Woodsworth should not use the word "prosecutor." Mr. Martin has been very fair in his questions and Colonel Steel has been a very good witness.

Hon. Mr. CAHAN: The suggestion by my friend, Mr. Woodsworth, was jocular, and it is not intended that Mr. Steel should be considered as a prisoner in the dock. But, I do suggest, having looked over this letter very hastily; this is a letter of November 20th, addressed to the Honourable C. D. Howe by Mr. Charlesworth and is not a letter that can be given in evidence; it is a letter between an official of what is practically a branch of a department to his minister. Mr. Charlesworth was a witness here. If it is intended to go into this Mr. Charlesworth should be asked about it so he could give his evidence direct. He should not be made to give it indirectly by means of a letter which he has written to a minister. Mr. Charlesworth should be produced here, and he alone can give the evidence as to the particulars mentioned in this letter. He should be here and he should be subject to cross-examination.

Mr. MARTIN: I think that is very clearly settled now. I think the Honourable Mr. Cahan is quite right and is suggesting the proper way. Mr. Charlesworth should appear before the committee, we should ask him to produce the letter and proceed in that way. One point we should have settled is, if we are proceeding here in this committee as a court of law—and I think we are not—and if we are not I think there should be latitude allowed. My purpose in asking that of Mr. Steel now was that if we did not ask him now we would have to call him again at a later time, and I was trying to complete this phase of the inquiry, the political aspect of it. That was my purpose. I think we should clearly understand whether we are sitting here as a court or as a committee, so that we will know how to proceed.

Mr. RYAN: I think we ought to settle that question now, whether we are going to be bound by the strict rules of evidence, or whether we are going to have a full and open inquiry into all matters that may concern us in dealing with our reference.

[Lt.-Col. W. Arthur Steel, M.C.]

Mr. CAMPBELL: As I see it, Mr. Chairman, and I am only a layman, our duty as a parliamentary committee is to ask for any information which Colonel Steel, Mr. Charlesworth or any other officer of the commission may be able to give us, providing it is relevant to the matter under discussion. We are now dealing with political organizations. We are asking information from these men on account of their experience, and because they are officials who know something about the broadcasting business in Canada. With that information we should be able to make a report that is going to be of some value to the House of Commons, and that is our business.

Hon. Mr. CAHAN: I do think Mr. Chairman, while we are not bound by the strict rules of evidence this committee certainly in the performance of its duty would desire to obtain evidence in the proper manner. I notice that we spent half a day, or most of one day, in asking Mr. Charlesworth about the financial administration and the comptroller's office, with respect to which he knows little, and with respect to which his minister would no doubt by reason of his experience of the last few months know more. The proper thing would have been to bring in the comptroller and find out exactly what the situation was, how a certain account would be dealt with. In this case Mr. Charlesworth apparently has written a letter on November 20th to his minister. It was perfectly proper for him to write it, and perfectly proper for his minister to ask him to write it.

The CHAIRMAN: Might I interrupt you right there, Mr. Cahan? When Mr. Charlesworth as chairman of the Radio Commission writes a letter to the minister he writes it as chairman of the Radio Commission and not as Mr. Charlesworth.

Hon. Mr. CAHAN: But, you see, he writes it as chairman; I am not prepared to take that letter as the best evidence, or reasonable evidence. Mr. Charlesworth should be brought here and he should give this evidence which is contained in his report to his minister, and he should be subject to cross-examination about it. I suggest that we should not put in the letter.

The CHAIRMAN: I may say, Mr. Cahan, that Mr. Charlesworth would have been here this morning but for the fact that he is ill in Toronto.

Hon. Mr. CAHAN: Then we might defer putting his letter in until he is here. He can testify with regard to it later on, and he can be cross-examined with regard to it then.

Mr. MARTIN: I am prepared to agree with what Mr. Cahan has said. My only purpose in putting it in now was to ask Colonel Steel if he knew about the letter. He has said he did not. That ends it. I think we might call Mr. Charlesworth back and put the question directly to him.

Mr. BERTRAND: There is no doubt that if this letter is signed by Mr. Charlesworth it is a letter from Mr. Charlesworth and if he wants to make an explanation about this letter he can do so when he comes back; but it is not for us to say that, he might have some other information.

The CHAIRMAN: I may say, Mr. Cahan, that this file of correspondence will be available to every member of the committee.

Mr. CAHAN: Quite so. But it is not evidence before this committee. That is all. I am suggesting that when Mr. Charlesworth is available it can be properly put in.

The CHAIRMAN: It is agreed then that we are not to question Colonel Steel about this letter until Mr. Charlesworth has presented it.

Hon. Mr. HOWE: May I say this: apparently someone asked my secretary for this letter and I did not know that it had to be produced here. It was sent to me. It was not a letter that I asked for. Mr. Charlesworth in his covering letters says, at the risk of wearying you I am enclosing a letter giving the com-

plete history of the "Mr. Sage" broadcasts; I am sending a copy of it to the Prime Minister; it just indicates the main facts in connection therewith.

Hon. Mr. CAHAN: I am not suggesting any criticism of you at all, Mr. Minister.

Hon. Mr. HOWE: I will take the letter back if you like. I am in the hands of the committee.

Hon. Mr. CAHAN: I do not think it should go into the record until we have Mr. Charlesworth here.

By Mr. Campbell:

Q. I have certain questions which I hope to ask you later both regarding certain phases of administration and also regarding greater power for different stations, and so forth. At some later date I know that other members of the committee will have similar questions to ask. You might come prepared with all this data just to facilitate the supplying of information which will be asked of you. So far as I am concerned I have nothing more to ask you regarding the political part of it?—A. I should be only too glad to give you all the information I have at my disposal. I will bring all the information I can with me and if I cannot answer your technical questions from that information I will be glad to get additional information for you.

By the Chairman:

Q. In the absence of Mr. Charlesworth can you give us a list of the officials connected with your commission who would be able to give us the information which it has been indicated this morning we will desire?—A. I believe, Mr. Chairman, I have already done that. Mr. Powell I think is the one man who could answer most of those questions.

By Mr. McIntosh:

Q. There is just one question I would like to ask before the witness leaves: you were away when the Sage broadcasts were negotiated I understand?—A. Yes.

Q. Your statement is that you had nothing whatever to do with any of these broadcasts?—A. I do not think I made that statement, sir.

Q. Then, if you did not make that statement it naturally follows that you did have something to do directly or indirectly with those broadcasts?—A. I believe, sir, that I said that I took my fair share of responsibility in matters coming before the commission as a whole. All questions of routine procedure in connection with broadcasts usually go to Mr. Charlesworth.

Q. Yes?—A. And if there is nothing out of the way it is passed on to our commercial department, who in turn handle it as they do many others. It is only if something out of the way crops up. If it comes before the commission I am at liberty to express my opinion.

Q. But the subject matter of the Sage broadcasts did not come before any commission meeting that you attended?—A. Yes. It may have come before a meeting of the commission at which I was not present. The secretary will answer that question.

By Mr. Ryan:

Q. So that the remark with respect to personalities was only a casual conversation you had with Mr. Charlesworth?—A. I went into his office on my return to Ottawa and we discussed what had taken place.

Q. Tell us what did take place in regard to the Sage broadcasts?—A. I think I have already answered it.

Q. And that was all that was said?

The CHAIRMAN: Are we through with Colonel Steel?

[Lt.-Col. W. Arthur Steel, M.C.]

Mr. CAMPBELL: Yes, but we will call him later.

By Mr. Bertrand:

Q. You were in charge of one department of the commission. I want to bring before this committee the correspondence which was exchanged between CKAC and the commission in which correspondence the station in Montreal asked to build a 100,000 Watt station. Can I get that information for the next sitting?—A. I will do my best to get it. I think what you are referring to is an application for a 50 kilowatt station.

Q. Yes. And I would like to know why it was refused.

(Colonel Steel retired).

The CHAIRMAN: Is it the wish of the committee that Mr. Stanley Maxted should come forward.

Mr. MARTIN: Before Mr. Maxted is called I would like to call the committee's attention to a statement in the House of Commons made by the Hon. Earl Lawson which I think should be on record, but as I am an inexperienced member I am not sure whether this is the proper procedure; but I see no objection to allowing on the records of this committee a statement which is contained in Hansard purporting to come from Mr. Lawson.

The CHAIRMAN: I see no objection to it.

Mr. MARTIN: I refer to Hansard of Tuesday, February 11—

Hon. Mr. CAHAN: I would ask Mr. Martin if he desires Mr. Lawson's evidence why not call him?

Mr. MARTIN: Mr. Lawson does say in the speech he made in the House of Commons that he is prepared to come before the committee, and I think the committee should avail themselves of that; but, I simply want to read one paragraph of Mr. Lawson's speech which may lay the foundation for some questions that the committee may want to put to Mr. Maxted or some other witness.

The CHAIRMAN: I see Mr. Lawson sitting in the committee, and although he is not a member I do not think he would have any objection to any statement which he made in the House of Commons being put on the records of this committee.

Hon. Mr. LAWSON: Not a bit.

Mr. MARTIN: Referring to Hansard of Tuesday, February 11, 1936, as reported at page 134, Mr. Lawson said among other things—and I think this should be in the record:—

I want to say this, that in the rush and hurry and grind of a campaign some of the manuscripts were never submitted to me. So far as my recollection goes, there were put into the mouths of one of the speakers in those broadcasts two statements which, had I seen them, I would have deleted. I say unhesitatingly to the Prime Minister that I personally regret exceedingly that they were made, and for this reason; I have always been, and I hope always shall be, one who in public life may criticize and assail my opponents with respect to their public actions and public affairs, but I do not believe I can be accused of ever having made a reference to their personal affairs or what they may have done in a personal capacity. Therefore I say that I regret two statements which were made.

Then at the top of the page he said:—

This afternoon some reference was made by the Prime Minister to a broadcast which he styled the Sage broadcast, and endeavoured

again to place upon the leader of the opposition responsibility for it. I take this first opportunity to say to him and to this House of Commons that again I take the responsibility.

Mr. STANLEY MAXTED called.

The CHAIRMAN: Is it the wish of the committee that the witnesses should be put under oath?

Hon. MEMBERS: No, no.

By Mr. Campbell:

Q. According to the list of the employees of the commission which we have, you are in charge of the station at Toronto and, I take it, of all Ontario stations, is that correct?—A. No, sir, just the commission programs produced at any point in Ontario other than Ottawa itself; but for the stations themselves I have no responsibility.

By Mr. McIntosh:

Q. Where do you reside?—A. In Toronto.

By Mr. Campbell:

Q. You were appointed September 1 of last year, and previous to that you were connected with the commission, were you not?—A. Yes.

Q. In what capacity?—A. Regional director of programs.

Q. Could you explain to the committee how it was that you along with several others were not appointed to the commission until September 1st of last year?—A. I do not know. I cannot explain that.

Q. The station was functioning—

By Mr. Massey:

Q. Were you appointed on September 1st, or as of September 1st?—A. As of September 1st, yes, sir.

Q. What was the date of your appointment?—A. I could not just vouch for that. I have a letter in Toronto.

Q. Was it late in September?—A. It was somewhere in the middle of September.

By Mr. Campbell:

Q. I was asking you what your connection was: how is it that none of you were appointed to the commission previous to that date? You were working for the commission, the Canadian National Carbon Company; am I right in that?—A. We were, or rather I was working without appointment. I was working on contract from June, 1933.

Q. To when?—A. Up until September 1st.

Q. A contract with the commission direct?—A. Yes.

Q. For a yearly contract, or indefinite?—A. No, it was not a yearly contract, it was an indefinite period.

Q. Until previous to June what was your business or occupation? Previous to your connection with the commission what was your occupation of business?—A. A musician in a free lance way, and I was also vocal director for CKGW.

Q. And when the CKGW station was taken into the commission—is that how you happened?—A. No, I did not go with it. Mr. Maher came down and engaged me.

Q. Himself? On anyone's recommendation, or did you?—A. I do not know, sir.

[Mr. Stanley Maxted.]

Q. You made no other application?—A. I have never made an application in my life.

Q. Could you explain to the committee without taking too much time the nature of your duties and your responsibilities?—A. Now or then?

Q. Well, now—well, during the time you have been holding this position?—A. Since my duties now include my duties then, perhaps I had better go on with that. I am responsible for the administration of CRCT. It is up to me to collect the ideas for and put into operation any programs that I am asked to produce for the commission at any point in Ontario, excepting Ottawa.

Q. Excepting Ottawa?—A. Yes.

Q. You have no connection with this station?—A. None at all.

Q. Your salary is \$4,750. Now, was that the same previous to September 1st?—A. No.

Q. What were you paid then?—A. I was paid on a contract basis.

Q. What was that?—A. \$125 a week.

Q. Less any deductions?—A. No. I was paid as an artist as well.

Q. Does your work as station manager and program director entail full-time work?—A. Very definitely so I should say.

Q. Do you take any other engagement outside?—A. Incidental ones, subject to the approval of the chairman, and on an understanding I made when I took on this job. I sing over a sustaining program with Rex Battle in the Royal York every noon and I am permitted to retain my church. I have done this for some years, and have kept that.

Hon. Mr. CAHAN: Would you please speak a little louder.

By Mr. Campbell:

Q. Do you get paid for the program at the Royal York?—A. No.

Q. Are there no perquisites or remuneration?—A. Yes. I have a room there.

Q. Free?—A. Yes. May I make a word of explanation?

Q. Absolutely.—A. You will appreciate, gentlemen, that this job of mine has never had any assurance of permanence at all, and for that reason in my business it was absolutely necessary in order to obtain my living if at any other time I went back to being a free lance musician—it was absolutely necessary I should not lose touch with the Canadian public. Fatuous as it may sound, it is a definite fact as far as I am concerned. By virtue of this program which goes from coast to coast I am able to retain that contact.

Q. Have you been engaged by any of the theatres recently?—A. Yes.

Q. By payment or contract?—A. No, I received no money for that.

Q. You did it gratuitously for some association?—A. Yes.

Q. With the knowledge of the commission that your time is given there?—A. Yes; and my work suffers not at all. I am on tap at the station all day long or all night long.

By Mr. Dupuis:

Q. Will you give the names of those theatres?—A. It is not "those"; it is just the Imperial for two weeks—the Imperial theatre in Toronto.

Q. As a musician?—A. Singing.

Q. Without pay?—A. As far as I am concerned, yes.

Q. As far as you are concerned. What does that mean?—A. That I did not receive any pay.

Q. Did somebody receive it for you?—A. Pardon?

Q. Did somebody receive it for you?—A. Not for me, no.

By Mr. Campbell:

Q. With regard to your responsibilities in connection with the business of the station—you look after programs—you heard Mr. Steel's evidence and you have read the evidence of Mr. Charlesworth, will you explain what is the procedure in the case of any business, whether commercial or political that comes to you; what happens in the case of accepting it or rejecting it?—A. I submit it to Ottawa.

Q. You mean that you submit all applications to Ottawa?—A. Not all applications, no. There are some which by their very nature would indicate right away that they would not need to be submitted to Ottawa; it is obvious right away that they would not need to be submitted to Ottawa.

Q. And you accept them?—A. Yes.

Q. And could you give us an example of what you do submit to Ottawa?—A. All our political broadcasts are submitted to Ottawa.

Q. And all large programs. Naturally you would submit them to Ottawa. Once they are accepted here you are in charge of seeing that the regulations are carried out?—A. Yes.

Q. What are Mr. Lucas' duties?—A. Mr. Lucas' duties are hardly outlined by his title, studio supervisor. Actually he is a versatile man, and his duties are to do anything that he is asked to do.

Q. Do you ask his advice regarding programs and regarding business? In the case of any decision having to be made with regard to programs or their acceptance, did you ask his advice, or go into consultation with him?—A. On our own programs?

Q. Yes.—A. Or those that we accept?

Q. Yes.—A. Yes. I ask the advice of all my staff.

Q. All of them?—A. Yes. That is all—when I say all of the staff you understand what I mean.

Q. That would be Mr. Lucas?—A. Mr. Lucas and Mr. Jennings, the chief engineer.

Q. Now, I do not want to bother you too long. I have some questions I would like to ask you about the business and about political broadcasting.

By Hon. Mr. Cahan:

Q. May I intervene. You were at one time, were you not, engaged or employed by the Canadian National Carbon company which was operating CKNC Toronto?—A. Yes, sir.

Q. Mr. Lucas was employed by the same company, was he not?—A. Yes.

Q. Mr. Lucas was subsequently—you and Mr. Lucas were engaged by the Canadian Radio Commission at about the same time, were you not?—A. About the same time, yes, sir. I cannot answer that specifically without referring to some records which I have not with me.

Q. Well, would you please ascertain the date you were employed which you said was about September 15, and if Mr. Lucas was employed at the same time—you can definitely state that—would you give the exact date of his employment so that we will know when you became employed by the Canadian Broadcasting Commission.

Q. It was as of September 1st?—A. Yes.

Q. From September 1st to September 15th you were not an employee of the Canadian Broadcasting Commission?—A. Actually I suppose not.

By Mr. Campbell:

Q. You were carrying on the work though?—A. Yes.

Hon. Mr. MACKENZIE: That is surely a matter for argument.

Hon. Mr. CAHAN: Yes, but I wanted to get the facts, that is all.

[Mr. Stanley Maxted.]

By Hon. Mr. Cahan:

Q. You will supply the date, or perhaps you will supply the letter, or copy of the letter—A. I shall be glad to.

Q. —on which you were employed?—A. Yes, I shall be pleased to.

By Mr. McIntosh:

Q. The date may not be September 15th?—A. It may not.

Hon. Mr. CAHAN: The letter will speak for itself.

WITNESS: But as far as carrying on the duties during that time is concerned, if that question is with a view to finding out if I am responsible for what was done during that time, why certainly I was.

By Mr. Massey:

Q. On what basis, Mr. Maxted? Did you have any assurance that it was coming through?—A. No, none at all.

Q. Out of the goodness of your heart you were carrying on the job?—A. It is rather a nice way of putting it sir; that is what I was doing.

By Mr. McIntosh:

Q. You were paid for that time?—A. Yes.

Mr. DUPUIS: September 1?

By Hon. Mr. Cahan:

Q. You were subsequently paid?—A. Yes.

By Mr. Campbell:

Q. A few moments ago I asked you about your engagement previous to September 1, and your answers to me and Mr. Cahan leave a different impression. You told me, I believe, that you had a contract from June, 1933, until the engagement with the Commission, at \$125 a week?—A. Yes.

Q. I took the impression from your answer to Mr. Cahan that you were engaged with the Canadian National Carbon Company. Explain that.—A. Yes. At the time of June, 1933, I was engaged on a contract basis by the commission, the studios and officers were down at CKGW and the station started, you see. Then when they moved up to the Carbon Company premises I was being engaged by the Canadian National Carbon Company.

Q. But the commission still paid you \$125 a week?—A. The Carbon Company paid me.

Q. They accepted the commission's contract with you, or how did they do it?

Hon. Mr. CAHAN: I think Mr. Campbell, you will have to speak louder.

By Mr. Campbell:

Q. Did you have a contract with the commission or the Canadian National Carbon Company at \$125 per week?—A. With the commission.

Q. With the commission?—A. Yes.

Q. Then you were an employee of the Canadian National Carbon Company as well?—A. Not as well, no.

Q. You only received \$125 a week?—A. That is all.

Q. Who paid it?—A. The Canadian National Carbon Company.

Q. They paid it and were paid by the commission?—A. Yes; because they were operating for the commission.

Q. That contract which you had was still in force up to September 15 in spite of the fact that you say you were let go previous to September first?—A. Yes; I was let go previous to September first.

Q. You were discharged?—A. Yes.

Q. The contract was terminated then on that date?—A. Yes; I received a letter from the Canadian National Carbon Company saying since they were discontinuing operation for the commission as of the end of August they would have no further use for my services.

Q. Then you carried on and did your work, figuring of course, that your appointment was coming through from Ottawa?—A. Well, I was not figuring on it; I was wondering.

Q. You did work?—A. I did work; I think anybody would.

By Mr. Massey:

Q. In other words, if you had not stayed on and somebody else with you, CRCT Toronto would have been silent for that fortnight?—A. Yes.

By Mr. Martin:

Q. When did you first regard yourself as being definitely in the employ of the Radio commission?—A. Appointed, you mean?

Q. When did you regard yourself as being in the employ of the Radio commission, as of what date?

Hon. Mr. CAHAN: Will not the letter speak for itself?

Mr. MARTIN: It may not. Mr. Maxted, at any rate can answer yes or no to that question, or explain it.

By Mr. Martin:

Q. When did you regard yourself as being employed by the commission?—A. I regarded myself as being in the employ of the Radio commission in June, 1933.

Q. In June, 1933?—A. Yes.

Q. Now Mr. Maxted, I understand every radio station has a log book?—A. Yes.

Q. Is that right?—A. Yes.

Q. Have you now available for the committee the sheets of the log book of CRCT regarding the Sage broadcasts which will, I think, show the dates, the time of starting, the engineer on duty, the announcer, the time of finishing and the place of origin?—A. Mr. Lucas has them, but they will not show all that.

Q. Are they available now? Can you get them for us?—A. Yes. But they will not show all that, because the station did not carry that.

Q. We will have what they do show?—A. Yes.

Q. Will you explain that? Before you do that, I should like to ask the clerk if we are putting these in as exhibits.

The CLERK: That depends on the action of the committee.

Mr. MARTIN: Are the other documents in as exhibits?

The CLERK: Yes.

Mr. MARTIN: Then this will be what, so that we can refer to it by number?

The CLERK: No. 21.

By Mr. Martin:

Q. Mr. Maxted, will you explain all about this log to us, the particulars?—A. That log is a physical history.

Q. Just take it in your hand and explain it to us.—A. This log is a physical history from the engineer's standpoint of exactly what happens at the station during the time that it is on the air.

[Mr. Stanley Maxted.]

Q. This is as of what station?—A. Station CRCT.

Q. One of the Radio Commission stations?—A. Yes.

By Hon. Mr. Cahan:

Q. Let us get that clear. Mr. Martin says "one of the Radio Commission stations." Is it not a fact that when you were employed from June, 1933, you were employed and thereafter paid continuously, at least until September, 1935, by CKNC?—A. Yes.

Q. Yes. That is the Canadian National Carbon Company's station?—A. Yes.

Q. As a matter of fact, the Canadian National Carbon Company leased its station to the Canadian Radio Commission, did it not?—A. I believe that to be the case.

Q. And although indirectly you served the Canadian Radio Commission, you were actually an employee of the Canadian National Carbon Company?

Mr. DUPUIS: That is quite leading.

By Hon. Mr. Cahan:

Q. Of CKNC?—A. Yes.

Q. When I understood you to state in reply to Mr. Martin—it was either Mr. Martin or Mr. Campbell—that you had been employed from June, 1933, you were dealing with your employment in radio station operating; but it is clear, is it not, from the reply you previously made to me and the reply you have now made to me, that you were an employee of the Canadian National Carbon Company and paid by the Canadian National Carbon Company until such time as you received payment in September, 1935, from the Canadian Radio Commission?—A. Exactly.

By Hon. Mr. Mackenzie:

Q. What was the last date you were paid by the Carbon Company?—A. For the month of August.

Q. For the month of August?—A. Yes.

Q. To the last day of August?—A. Yes.

Q. And all the pay you got for the work you did from the 1st of September was paid to you by the Canadian Radio Commission?—A. Yes.

Q. All right.—A. Now, you are leaving out—

Mr. DUPUIS: Just a minute. I understood from what you said you were employed by the Canadian National Carbon Company but paid by the Canadian Radio Commission?

Mr. EDWARDS: No.

By Mr. Dupuis:

Q. In what manner were you paid, by cheque?—A. Yes.

Q. Who signed the cheque? Was it the Canadian National Carbon Company or the Canadian Radio Commission?—A. Prior to September 1, the Canadian National Carbon Company.

Q. I thought you said a minute ago that you were paid by the Canadian National Carbon Company, working for that company, but approved by the Canadian Radio Commission?—A. You see, you are forgetting what I said about the first few months, that I considered myself—as Mr. Martin says—in the employ of Radio Commission, which I did from June, 1933. But about August, 1933, the Canadian National Carbon Company took over the operation for the Commission, whereat I became employed by the Canadian National Carbon Company.

Q. From October, 1933?—A. About August, I think.

Q. August, 1933?—A. I believe that is pretty close to it.

Q. Then that station for which you were working was under the control of and owned by or leased by the Canadian Radio Commission?—A. Operated by the Canadian National Carbon Company for the Canadian Radio Commission.

Q. For the Canadian Radio Commission?—A. Yes, leased to them by the Carbon Company.

By Mr. Edwards:

Q. They took other programs, as I understand it, than the Canadian Radio Commission programs?—A. Yes. They were the basic outlet for the National Broadcasting Company.

Mr. MASSEY: May I clear up one point. In answer to a question asked by the honourable Minister of National Defence, the witness said that up until September 1 he was employed by the Canadian National Carbon Company—September 1, 1935, that is; and that from September 1 on he was employed by the Canadian Radio Commission and therefore a civil servant. That is not quite correct.

Mr. MARTIN: Yes, it is.

Mr. MASSEY: No. On September 15 he received his payment as of September 1.

Mr. MARTIN: Yes.

Mr. MASSEY: From September 1 until September 15, that particular fortnight was essentially a hiatus in the life of one Maxted.

Mr. MARTIN: No. It is on the border line.

Mr. MASSEY: May I be permitted to finish?

Mr. MARTIN: I want to make a point of order. I think the witness has stated in answer to Mr. Mackenzie that he was paid as of September 1. Surely it is not open to a member of the committee to take issue with the evidence of a witness who has stated that he was paid as of September 1. I think it is up to the witness, if he wishes to correct that, to do it himself. I do not think it is open for a member of this committee to do it.

Mr. McINTOSH: It is plainly in the record, because I myself asked the witness that question and he answered it yes.

The CHAIRMAN: The way I understand Mr. Maxted's evidence is that he came in the employ of the Radio Commission from the time that the payment began, which is September 1, only he was not notified of his appointment until the 15th. Is that correct?

WITNESS: On the other hand, Mr. Massey is perfectly correct when he says that there was a period in between there when I did not know where I was, whether I had a job or not.

By Mr. Ryan:

Q. To clear it up, as a matter of fact did the Canadian Radio Commission know that you were there working?—A. They certainly did know that I was there.

Mr. RYAN: Surely you were entitled to pay for it. It is a matter of law, quantum meruit.

By Mr. Martin:

Q. As a matter of fact, I am a little confused now. I was set right after Mr. Mackenzie's question. Can you tell us now whether you were paid from September 1 on by the Radio Commission?—A. Yes, I was.

Q. There is no question about that?—A. Not a bit.

[Mr. Stanley Maxted.]

By Mr. Ryan:

Q. Were you working there from September 1 to September 15 with the full knowledge of the Radio Commission?—A. Yes.

Mr. MASSEY: Not under instructions from them.

The CHAIRMAN: I think, gentlemen, we had better try to get away from these technical grounds, because we are not going to make much progress.

Mr. MASSEY: I am out of order.

Mr. MARTIN: I have asked you to explain to us the log, and you told us that was the log of CRCT. Will you go on and explain to us what it shows?

Mr. CAMPBELL: Regarding political broadcasts, because that is what we are on now.

By Mr. Martin:

Q. Yes. You are familiar in a general way—at least by hearsay—that there were broadcasts known as the Sage broadcasts?—A. Yes.

Q. Take the first day. Have you got that there, the first day of the Sage broadcast?—A. Yes, it is in here as what is called a third feed. We did not carry that broadcast.

Q. What does that log show with regard to the date of all the Sage broadcasts? So the committee will have before it the dates, can you give them from that log—every date?—A. From this log you could not say that they were Sage broadcasts. They are in here as political broadcasts.

Q. They are in there as political broadcasts?—A. Yes.

By Mr. Dupuis:

Q. Is it indicated for what party?—A. Not in this case, because it was a third feed. We did not broadcast this program.

By Mr. Campbell:

Q. You had better explain to the committee, Mr. Maxted, just what you mean by that. They originated in your studio?—A. They used our studios to originate them, yes.

Q. It went over your wire?—A. No.

Q. Over whose wire?—A. Over the wire rented by J. J. Gibbons to carry the program from our studios.

Q. From your studios?—A. To the station of origination.

Q. What station was that?—A. By hearsay I suppose I may tell you that it was CFRB.

Q. You are saying now, there is no mistake about this, the originating station according to your information was CFRB?—A. The originating station, yes.

Q. I see?—A. Yes. They used our studios to produce the program.

Q. You say now that CFRB used your studios, or the Radio Commission used your studios?—A. No, J. J. Gibbons, the agent.

Q. The agents?—A. Used our studios, but our station did not carry that program.

By Mr. Massey:

Q. For how many broadcasts were the studios of CRCT used?—A. The first three and the last one.

By Mr. Martin:

Q. For the first three and the last one?—A. Yes.

By Hon. Mr. Cahan:

Q. How many were there altogether?—A. Six.

By Mr. Martin:

Q. There were six?—A. I think you are right. I think it was six.

Q. We can add that in later?—A. Yes.

By Mr. Dupuis:

Q. Have you got the dates of these broadcasts?—A. I think so. I believe the dates were, September 7, 14 and 21. Those were all the dates on which our studios were used.

Q. And, what was the date of the last one; you said, the first three and the last one?—A. October 11, I think; I will not be absolutely sure about that, but I believe it was October 11.

Q. You haven't got that on record?—A. I have not got that on record here.

Q. The record shows that it was October 11?—A. I have the logs here for September 14 and September 7.

By Mr. Campbell:

Q. You only have the two logs?—A. Yes.

Q. What happened to the others?—A. I have also the master schedule. I do not know. Perhaps Mr. Lucas could tell you. You might ask him.

Mr. CAMPBELL: Well, the chairman's request as I understand it was for all the logs and you have only the two.

Mr. MARTIN: Has Mr. Lucas got it. Is he in the room?

WITNESS: I do not know whether he has it or not.

Mr. LUCAS: I have not.

WITNESS: I can't tell you the exact reason why I haven't got these other logs. I can get them for you.

By Mr. Campbell:

Q. Mr. Maxted, I want to clear this matter up. I examined the returns sent down to the committee of the schedule of all these broadcasts and the schedule shows that they originated in CRCT. Now, I want you to make it clear to the committee what that means, because the impression which I think you are leaving is that CFRB is the originating station. Besides that, the radio station, with the exception of yours, carried those broadcasts. Was that through CFRB, or was CFRB just one of the stations?—A. I cannot say about that. I do not know. I did not make these arrangements. I received instructions by telephone from Ottawa that CRCT studios were to be used because of the facilities they had there for records, and so on. That is the only information I have on it.

Q. You got orders from the commission?—A. Yes.

Q. Through Mr. Charlesworth or one of the other officers?—A. I cannot exactly answer that because it was a telephone conversation. I do not remember whether it was Mr. Charlesworth or one of the other officials at Ottawa. I have no reason for specially remembering it. They were simply using our studios. When you speak of a program—I am speaking in radio parlance—when you say a program originates at any station, you mean that their transmitter broadcasts it.

Q. Yes. But what I am trying to make out is that there were many other stations besides CFRB to broadcast this same program?—A. Yes.

Q. But it all originated from your studios although your directors did not put it out?—A. No.

Hon. Mr. CAHAN: Please, please.

Mr. CAMPBELL: Well, four of them.

[Mr. Stanley Maxted.]

WITNESS: As a matter of fact the originating station was none of my business but I took it to be that CFRB was the originating station of that broadcast.

By Mr. Martin:

Q. Why do you have that impression?—A. Because of our third feed. Naturally, if it originated in Toronto, the Toronto station that carried it is the originating station.

By Mr. Campbell:

Q. Then it would be fed from CFRB to all the Canadian stations?—A. Yes. It was fed on a line to their station. Somebody else could give you the technicalities of that.

The CHAIRMAN: May I inform the committee that it is now 1 o'clock.

By Mr. McIntosh:

Q. I have just one question to ask. What do you mean when you say a broadcast originated or was produced at a certain station?—A. When a broadcast originates at a certain station it means that it originates with their transmitter and is fed there.

Q. The broadcast originates there?—A. Yes.

Q. That has nothing to do with the subject matter?—A. No. Why would it have anything to do with me when it is not going out over my transmitter.

Mr. MARTIN: Before we adjourn, Mr. Chairman, we have Mr. Magladery here. I think if he would leave with the committee the file we sent for it would be convenient, and he might hold himself available for the committee's pleasure.

The CHAIRMAN: Yes. We will call you, Mr. Magladery.

Is it the wish of the committee that we sit to-morrow? We have Mr. Maxted and Mr. Lucas here?

Mr. MARTIN: What about this afternoon?

The CHAIRMAN: We have not that power yet.

Mr. MARTIN: Can we not ask for authority?

The CHAIRMAN: Will someone make a motion to that effect.

Hon. Mr. CAHAN: You should give us at least a day's notice because some of us are employed on other matters in the house. I think due notice should be given if you are going to sit at the same time the house is sitting.

The CHAIRMAN: I think, Mr. Cahan, that every discretion will be used.

Mr. CAMPBELL: I will move a resolution that we ask for power to sit while the house is in session.

Mr. MCINTOSH: I will second that motion. (Carried.)

The CHAIRMAN: Is it the wish of the committee that we meet to-morrow? Will Mr. Maxted and Mr. Lucas be available?

Mr. CAMPBELL: Yes. I think we should meet to-morrow at 11 o'clock.

By Mr. Martin:

Q. Can you by telephone get the rest of the logs sent down to-night?—A. I think I can get them.

The committee adjourned to meet at 11 a.m. Friday.

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SESSION 1936
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO
COMMISSION



MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

FRIDAY, APRIL 24, 1936

WITNESSES:

Mr. Stanley Maxted, Station Manager and Regional Program Director,
Station CRCT, Toronto.

Mr. Rupert Lucas, Supervisor of Studios, Station CRCT, Toronto.

Mr. Harry Sedgwick, Manager, Radio Station CFRB, Toronto.

Mr. T. Magladery, Deputy Minister, Department of Immigration, Ottawa.

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1936

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

FRIDAY, April 24, 1936.

The Special Parliamentary Committee on Radio met at 11.00 a.m. this day, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present:

Messieurs:

Beaubien, Bertrand (Laurier), Bouchard, Cahan, Campbell, Cochrane, Dupuis, Edwards, Hanson, Howe, Johnston (Bow River), MacKenzie (Neepawa), Mackenzie (Vancouver Centre), McIntosh, Martin, Massey, Plunkett, Ryan and Woodsworth—19.

In Attendance as Witnesses:

Mr. Stanley Maxted, Toronto, to continue evidence from last meeting.

Mr. Rupert Lucas, Commission Station CRCT, Toronto.

Mr. Harry Sedgwick, Manager, Radio Station CFRB, Toronto.

Mr. T. Magladery, Deputy Minister of Immigration, Ottawa.

Lieut.-Col. W. A. Steel, Commissioner, Canadian Radio Commission.

Present—subject to call if required:

Officials of the Canadian Radio Commission.

Officials of the Radio Branch, Department of Marine.

The Secretary of the Canadian Radio Commission filed with the Committee, the following:

1. Cheques paid by the Commission to Mr. Donald Henshaw. (Original cheques.)

2. Correspondence in reference to Mr. Sage broadcasts; marked Exhibit 22.

3. Correspondence, etc., re application from Station CKAC, Montreal, for increase in power; marked Exhibit 23. (See evidence for detail.)

Contracts and records *re* payments Mr. Sage broadcasts, to be filed at next meeting.

On motion of Mr. Massey, seconded by Mr. Campbell:

Resolved:—That a message appropriately expressing the regret of this Committee at the absence of Mr. Slaght from the meetings of the Committee, particularly under the circumstances that necessitate his absence, be sent to him. Message to be forwarded by the Clerk of the Committee.

Mr. Stanley Maxted recalled.

The witness asked permission to make a correction of a statement made by him at yesterday's sitting, to the effect that he should have said Bell Telephone instead of Station CFRB.

The examination of the witness was conducted for the most part by Mr. Martin and Mr. Campbell, but frequently interspersed with questions from other members of the Committee.

The witness read a letter he was asked to produce, in connection with his appointment as station manager and regional program director (see evidence of this date).

The witness retired, subject to further call.

Mr. Rupert Lucas called and sworn.

Examination of the witness proceeded with active questioning by Mr. Martin and Mr. Campbell, and other members of the Committee.

The witness read a letter respecting his appointment as supervisor of studios (see evidence of this date).

The witness read a second letter respecting the termination of his employment with the Canadian National Carbon Company Ltd., Toronto (see evidence of this date).

The witness retired subject to further call.

Mr. Harry Sedgwick called and sworn:

The witness read a telegram and two letters into the record of evidence, by request of Committee, further examined and retired.

Mr. T. Magladery called and sworn:

The witness, owing to it being near the hour of adjournment, was briefly examined, in connection with Mr. Don G. Henshaw, a dramatist, employed and residing in Canada, and a citizen of the United States. Some quotations from evidence, and a letter read into the record.

The witness retired subject to further call.

Clerk of the Committee instructed to arrange for appearance of Mr. J. J. Gibbons and Mr. Don G. Henshaw before the Committee, on Tuesday, April 28.

The Committee adjourned to Tuesday, April 28th, at 11.00 a.m., Room 375.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
ROOM 375,

OTTAWA, April 24, 1936.

The special committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 11 a.m., the Chairman, Mr. A. L. Beaubien presided.

The CHAIRMAN: What is the wish of the committee, that Mr. Maxted be recalled?

Mr. MARTIN: I think we should finish with Mr. Maxted.

The CHAIRMAN: The secretary of the commission has just handed me this memorandum:

List of documents filed with the Parliamentary Committee investigating Radio Broadcasting, on April 25, 1936.

1. Checks paid by the commission to Mr. Donald Henshaw.
2. Correspondence in reference to Mr. Sage broadcasts.
3. Correspondence and extract of the minutes of the commission in respect to an application from station CKAC, La Presse, Montreal, for an increase in power to 50 kilowatts.

Mr. BERTRAND: Should that not be 50,000 kilowatts?

The CHAIRMAN: I suppose that is what it means.

NOTE.—The Commission has no record of any letter given to Mr. Donald Henshaw to facilitate his entry in Canada.

NOTE.—Contracts and records showing payments in respect to Mr. Sage broadcasts will be filed at the next meeting.

Mr. McINTOSH: That is, the meeting after to-day?

The CHAIRMAN: Yes, I suppose so. These papers are being filed here to-day.

Mr. McINTOSH: I was wondering if the broadcasting stations could not be given a name, or the location supplied after the letters designating the station in order to make clearer reading for those who wish to read the proceedings of the committee.

The CHAIRMAN: You mean the correspondence and extracts?

Mr. McINTOSH: Any time these stations are mentioned, besides the letters being given, it would be helpful if something more definite could be used to describe them.

The CHAIRMAN: Mr. Landry is here, and I suppose he will take note of that.

Mr. MASSEY: Mr. Chairman, would a motion be in order?

The CHAIRMAN: Yes.

Mr. MASSEY: I am sure that the committee collectively and individually greatly regret the absence of Mr. Slaght, particularly under the circumstances that necessitate his absence. It might be in order to suggest that some message to that effect be sent to him from this committee, and I would like to make that motion.

Mr. CAMPBELL: Mr. Chairman, I take pleasure in seconding Mr. Massey's motion. I believe that the Hon. Minister has a telegram from Mr. Slaght's secretary which states that Mr. Slaght came through the operation and is getting along even better than his doctors had expected.

Mr. CHAUVEAU: Might I say, Mr. Chairman, that the commission regrets exceedingly the absence of Mr. Slaght, and expresses its most sincere wishes for his speedy and complete recovery.

The CHAIRMAN: You have heard the motion, gentlemen, what is your pleasure? (Carried.)

The clerk of the committee will send an appropriate telegram to Mr. Slaght.

STANLEY MAXTED recalled.

By Mr. Martin:

Q. Mr. Maxted, may I ask you if this understanding is correct; that the Radio Commission has a basic chain of some 26 broadcasting stations, eight of which are operated by the commission and the balance affiliated with private stations? Is that right?—A. I would rather you would get that information from the technical department because my reply to that might be approximate.

Before we go any further, may I make a correction regarding yesterday's sitting? Upon looking up these logs to get them copied, Mr. Chairman, I found that I was in error yesterday. The engineer's remarks show that we fed to the Bell Telephone and not to CFRB. I am sorry; that was my belief.

Q. You fed to whom?

Hon. Mr. MACKENZIE: The Bell Telephone Company.

WITNESS: To the line company and not to CFRB.

By Mr. Martin:

Q. So that CFRB was not the originating station?—A.

Q. In that connection, Mr. Maxted, did you ever advise Mr. Charlesworth that CFRB was the originating station?—A. No.

Q. You did not?—A. That they carried it.

Q. But never advised him that CFRB was the originating station?—A. Not to my knowledge.

Q. Mr. Maxted, do you know who produced the Sage programs?—A. The only way I can answer that would be to say the J. J. Gibbons Agency.

Q. You do not actually know who wrote them?—A. It was announced on the program that R. L. Wright wrote them.

Q. Did you take part in any of these broadcasts? Were you at any of the rehearsals of any of these broadcasts?—A. Parts of them, yes.

Q. Were you at the rehearsal of the first broadcast?—A. At part of the first one; no others.

Q. Do you remember who were there at the rehearsal of the first broadcast?—A. Mr. Wright.

Q. Mr. R. L. Wright—A. Yes.

By Mr. Ryan:

Q. Who was Mr. R. L. Wright?

Mr. MARTIN: He is with the J. J. Gibbons Company.

WITNESS: Mr. Wright was there and Mr. Stapells.

Q. Of the J. J. Gibbons Company?—A. Yes. Mr. Rupert Lucas was there, and there was a lady, an actress who I am not quite sure of.

Q. Was it Mrs. Rupert Lucas?—A. No. I do not just remember which one because as I explained yesterday, this was not my broadcast. If it has been going over my transmitter, I would have been much more interested.

Q. Was Mr. Donald Henshaw at this rehearsal?—A. Yes.

Q. You see, you had forgotten to mention his name?—A. That was not done purposely.

[Mr. Stanley Maxted.]

Q. I am not suggesting that at all. Were there any others there?—A. Not that I remember; not at the time I was there. I was in the station of course, in my office, all through the rehearsals and programs but I was not down there.

Q. What was the date of the first rehearsal? The first broadcast was on September 7. When was this rehearsal, do you remember?—A. I do not I have an idea it was that same day, but I could not substantiate that.

Q. At any rate, it was after September 7?—A. That is my belief.

By Mr. Massey:

Q. And before September 15?—A. Quite a bit.

By Mr. Martin:

Q. What was your part in that rehearsal?—A. My part?

Q. Yes.—A. I had none.

Q. Did you make any suggestions as to improvements in the acting, and otherwise?—A. I never make any suggestions to an advertising agency.

Q. Were you present at the first broadcast of the Sage program?—A. I was in the station, yes.

Q. Did you actually see the performers take part?—A. I saw them start off.

Q. Who started off? Who, in the first broadcast, was Mr. Sage?—A. Mr. Rupert Lucas was reading the part of Mr. Sage.

Q. Was Mr. Donald Henshaw at that broadcast?—A. He was present: I do not think he was doing anything in it.

Q. He was present—A. Yes.

Q. Were you at the second rehearsal?—A. No.

Q. You were not?—A. No. I was not present at any of the broadcasts other than the first one, and only part of that. I was in the station for all of them.

Q. Did you hear the broadcasts in your office? I understand in your office you have a machine?—A. Yes.

Q. A receiving set, rather?—A. Yes.

Q. Did you hear the program as broadcast?—A. No, I did not. I heard it on the speaker. What parts I did hear I heard on the speaker in the booth.

Q. Did you read the scripts in connection with these two broadcasts?—A. No.

Q. Have you read them since?—A. I have read one of them.

Q. By the way, there is a rule for all stations as enunciated by the commission, is there not, that all scripts are to be kept in the station where the broadcast is to be made?—A. If we broadcast them. That would not become my duty under these present circumstances. If it had gone over my transmitter, it would have been different. I think there might be a debatable point there, and may I submit this.

Hon. Mr. MACKENZIE: Describe it, and put it on the record.

The CHAIRMAN: Read it.

The WITNESS: This is dated at Ottawa, July 24, 1935, and is a letter to myself from Mr. Charlesworth. It reads:—

Colonel Landry has referred yours of July 17 in connection with the submission of scripts in connection with political broadcasts. You are mistaken in supposing that the Commission desires the submission of scripts of all such speeches prior to acceptance. It is only in cases where there is reason to fear that regulations as to defamation are likely to be violated that such a course is necessary. In connection with a leader like Mr. Stevens or Mr. Woodsworth, or any of the recognized leaders of old parties or new groups, such a course is quite unnecessary.

That may answer your question.

Q. At this rehearsal that you attended, you listened to at least a portion of the rehearsal, and you had some idea of the content of the program contemplated?—A. No; I can really only say I had an idea of the style of the program.

Q. At any rate, you knew it was to be a political broadcast?—A. Yes.

Q. Did you suggest to any member of the cast the impropriety of participation in that program in view of being employed by the commission?—A. No; there was no member of the cast employed by the commission at that time, sir. The only one that I would make that remark to was at that time a free lance. He was perfectly free. He was about in the same position as the corner grocery man who sells a can of peas to this man or that man.

Q. You know Donald Henshaw?—A. Yes.

Q. Very well?—A. Pretty well.

Q. Well, I mean, you see him daily, do you not?—A. Oh, yes.

Q. So that you know him very well?—A. Yes.

Q. Did you engage him for the commission?—A. No; he has never been engaged for the commission.

Q. He has done work for the commission?—A. Yes.

Q. A considerable amount of work?—A. Yes.

Q. Do you know what he receives weekly from the commission?—A. What he received terminated with his programs series last summer.

Q. Up to that time, have you any idea what he received?—A. Yes. That amount has varied according to the scripts that were bought from him. For the sake of accuracy I would rather you got those figures from some member of the Ottawa staff. But that was based on our buying scripts from him. He was never employed by the commission.

Q. Did you feel that it was your duty to find out who were the sponsors of the Sage program?—A. No; I knew. It was the J. J. Gibbons Agency so far as I was concerned.

Q. But let us pursue the matter a little further. You knew these were political broadcasts?—A. Yes.

Q. You knew for what political party the J. J. Gibbons Company was the agent?—A. Yes.

Q. No question about that?—A. No.

Q. Then where did the Sage broadcasts take place?—A. At CRCT.

Q. After the first, or after the second broadcast, I forget which, did you not receive instructions from Mr. Charlesworth that the broadcasts of the Sage program were not to emanate or take place in the Radio Commission studio?—A. Yes.

Q. How do you explain the fact that the last one did take place in the studio of CRCT?—A. Because we received instructions from Ottawa that the last broadcast was OK for CRCT.

Q. I beg your pardon?—A. We received instructions from Ottawa that the last broadcast was OK for CRCT.

Q. You received instructions from Ottawa that the last broadcast might take place in CRCT?—A. Yes.

Q. Who were those instructions from?—A. I believe from Mr. Powell.

Q. Were they instructions by letter?—A. No.

Q. By telephone?—A. Yes.

Q. Would you mind telling us what Mr. Powell said?—A. I do not think I can, Mr. Martin.

Q. Well, in substance?—A. That in view of other studios being unavailable it would be all right for this last broadcast to go on from CRCT. That was the substance.

Q. Would you say that it was an order from the commission?—A. Oh, any instructions from Ottawa are orders.

[Mr. Stanley Maxted.]

Q. In this particular case, would you say it was an order from the commission to use the Radio Commission station?—A. I do not know that I get the significance of your question.

Q. You had no alternative but to carry out the instructions to use CRCT for the last broadcast?—A. Oh, no.

By Mr. Campbell:

Q. Did you do it on your own, or did the orders come from the commission to you?—A. No, the instructions came from the commission.

By Mr. Martin:

Q. When you found out that other stations were not available, did you advise the Radio Commission?—A. No, I would not be the one who found that out.

Q. Who would?—A. I would imagine the J. J. Gibbons Agency.

Q. Then did you tell Mr. Charlesworth after the first broadcast and before the second rehearsal that CRFB was the originating station?—A. No; I do not think there would be any object in my doing that because the arrangements for the net-work were made up here. Why would I instruct the chairman?

Q. After Mr. Charlesworth had spoken to you, did you call the J. J. Gibbons Company and tell them they could not any longer use CRCT?—A. I think, as I remember it, that was the way it happened.

Mr. EDWARDS: Do you mean for this particular broadcast?

Mr. MARTIN: For the Sage broadcast.

WITNESS: To use the studios, yes.

Q. To whom did you speak at the J. J. Gibbons Company?—A. That I cannot remember.

Q. Can you tell us who was the announcer of the first broadcast?—A. I may be able to and I may not, Mr. Martin. I am sorry; I cannot. This is what we propose to do by the day, and the log is what we have done during the day and, naturally, since the station did not carry the broadcast it would not appear on my master schedule at all; otherwise I could tell you the announcer. I am sorry that I cannot.

Q. Well, would you have in your possession or would there be in the possession of anyone the statements used by the announcer in the first broadcast?—A. I would think it would be in the possession of the J. J. Gibbons Agency.

Q. With the script?—A. I should think so; I do not know.

Q. You do not know?—A. All this lack of knowledge is predicated upon the fact that my transmitter was not broadcasting it to the public, and so it was a matter of casual curiosity as far as I was concerned.

Q. Is Donald Henshaw an American citizen?—A. He was. I do not know whether he is now.

Q. Well, he was an American citizen?—A. Yes.

Q. About how long has he been in the country?—A. As far as my knowledge goes I would say since the Toronto Centennial.

Q. And was there some likelihood at any time, say, in September of last year, of his being compelled to dissociate himself with the commission to the extent that he was associated because of his leaving the country?—A. Not that I am aware of.

Q. Not that you are aware of?—A. Perhaps I should qualify that. He had certain correspondence with our Department of Immigration relative to naturalization.

Mr. MASSEY: May I suggest that as Mr. Henshaw is coming before the committee as a witness these questions could more properly be directed to him.

Mr. MARTIN: I would like to ask Mr. Maxted, he being the regional director.

Mr. EDWARDS: But he does not know anything about it.

By Mr. Martin:

Q. You know nothing about that?

Mr. EDWARDS: Let us get the immigration records.

By Mr. Martin:

Q. You had no discussion with Mr. Charlesworth about Mr. Henshaw's leaving the country?—A. No, not about his leaving the country: about his securing naturalization papers, yes.

Q. That is all?—A. Yes, that is all.

Q. Who is Billie Bell?—A. She is an artist in Toronto.

Q. Is that her real name, or is that a pseudo name?—A. No. Her name is Bell.

Q. Is she married?—A. No.

By Mr. Campbell:

Q. Mr. Maxted, regarding the employment of Mr. Henshaw, you know that his work has been that of a dramatist or a dramatic writer?—A. He is a script writer.

Q. Would you consider that he was alone in his class, or are there other Canadians who might have done the same work?—A. I think there are other Canadians who can do that work. I doubt very much if they are free to do it. They are all employed on periodicals.

Q. Who would you suggest might be available, Gordon Sinclair or Gregory Clark?—A. Gregory Clark, for instance, yes.

Q. Merrill Dennison?—A. And Merrill Dennison, of course. There is no doubt about him.

Mr. CAMPBELL: He is a Canadian citizen who happens to be a resident in my own riding.

Mr. MARTIN: That might be against him.

WITNESS: For our purpose, Merrill Dennison is a high-priced workman.

By Mr. Campbell:

Q. What I mean is that Henshaw was not entirely alone in his class?—A. No, he is just very good.

Q. Other Canadians could have done the work as well?—A. Well, it would take a lot of finding to round them up and find them free to do it.

By Mr. Martin:

Q. Would you mind telling me how long Charles Jennings, Jack Kannawin, Ernest Morgan and Bud Walker were employed directly or indirectly by the Radio Commission?—A. Would you mind if you got that information from the secretary?

Q. They are, at any rate, employed in some way by the Radio Commission, to your knowledge?—A. Yes.

Q. Do you know from what station they had been broadcasting?—A. Walker, Jennings, Kannawin were the names you mentioned?

Q. Yes?—A. All from CRCT.

[Mr. Stanley Maxted.]

By the Hon. Mr. Mackenzie:

Q. Did you ever personally intercede with Mr. Charlesworth or any other person in an endeavour to keep Mr. Henshaw in Canada?—A. No, I never had occasion to.

By Mr. Ryan:

Q. You spoke yesterday about an engagement that you had with the Imperial Theatre in Toronto. Was it the Imperial that you mentioned yesterday?—A. Yes.

Q. For how long was that engagement?—A. Two weeks.

Q. Who engaged you?—A. Mr. Arthur.

Q. Who is Mr. Arthur, please?—A. He was at that time manager of the theatre?

Q. What were the terms?—A. Well, the terms were so personal that I would rather not answer that question if you do not mind, sir.

Q. What is the particular objection?

MR. MASSEY: I think if I may say so that Mr. Maxted yesterday made a very clear statement in regard to that, and I think that should be sufficient.

MR. RYAN: It was not made clear to me.

MR. PLUNKETT: It is clear to the other members.

MR. RYAN: But I would like to get the information.

MR. McINTOSH: The statement he made was to the effect that it kept him in contact with the up-building of influence in favour of himself.

MR. EDWARDS: My recollection is that there was a hiatus of two weeks between September 1 and September 15, and Mr. Maxted was very uncertain as to his position.

MR. CAMPBELL: It was during November, was it not?

WITNESS: It did not occur then, sir.

By Mr. Edwards:

Q. It did not occur then?—A. No.

MR. RYAN: I do not think there was any hiatus between those dates.

By Mr. Campbell:

Q. I think you answered me yesterday to the effect that you received no pay for that?—A. Yes, I did.

MR. RYAN: So far as he was personally concerned he did not, but did anybody else?

MR. MASSEY: I do not think that is a fair question. Mr. Maxted said it was a personal matter.

MR. RYAN: He is employed by the Radio Commission, and I want to know what he is doing.

MR. MASSEY: He stated that.

MR. RYAN: He stated he was with the Imperial Theatre during that time.

MR. MASSEY: Yes, he stated that.

By Mr. Ryan:

Q. Why? For what reason were you doing that?

MR. MASSEY: He stated that yesterday.

MR. RYAN: Let him answer it.

WITNESS: I am sorry, sir, but I think that I have demonstrated my willingness to be as useful a witness as I can be and to give as much information as I

possibly can, but now you are touching upon a personal matter and, if I can do so with propriety, I would rather not answer that question. It is quite a personal matter, and I really feel, although it is not my province to suggest what does affect this committee, that this really does not affect the committee.

Hon. Mr. HOWE: I think the whole point affecting this committee is as to whether Mr. Maxted violated the terms of his contract with the Radio Commission or the provisions under which he works, and I think that can be determined by Mr. Charlesworth. We have the fact that he got no pay for it. I dislike to see his private affairs brought before a meeting of this kind.

Mr. RYAN: In deference to the Minister I will not pursue the matter, but I wonder if the Minister would have any objection to saying whether anybody was paid directly or indirectly.

Hon. Mr. HOWE: That is a point which I think after all comes under the purview of the commission who employed Mr. Maxted, and I would be very glad to have put any questions to Mr. Charlesworth in regard to that to see whether Mr. Charlesworth believes he violated his contract in any way.

Mr. RYAN: That is satisfactory.

By Mr. Johnston:

Q. You spoke a moment ago about the rehearsals of the program. Is that customary before they are made public?—A. Before they go out on the air?

Q. Yes?—A. Oh, very definitely so.

Q. All broadcasts are rehearsed, are they?—A. If a speech is being made, no

By Mr. McIntosh:

Q. It is operated on the principle that practice makes perfect, is it?—A. Any broadcast of a scrip nature is always rehearsed. It is rather sad if it is not.

By Mr. Johnston:

Q. Except a political speech?—A. No.

Hon. Mr. MACKENZIE: We have not got time.

The CHAIRMAN: Mr. Maxted wants to read a letter.

WITNESS: This is a copy of the letter I was asked to furnish the committee yesterday. It is dated at Ottawa, September 17, 1936. It reads:

Stanley Maxted, Esq.,
Radio Station CRCT,
805 Davenport Road,
Toronto, Ontario.

Dear Sir:

Authority has been issued to the Canadian Radio Broadcasting Commission for your appointment as Station Manager and Regional Program Director, Ontario, at the salary rate of \$4,750.00 per annum. By existing legislation this salary is subject to a deduction of five per cent for the current fiscal year. The appointment has been authorized on a temporary basis effective September 1, 1935, and on the further condition that the approval granted expires March 31, 1936.

Will you kindly inform me immediately, in writing, of your acceptance, or refusal, of this appointment on the terms stated.

Your very truly,

(Sgd.) R. P. Landry,
Secretary.

[Mr. Stanley Maxted.]

By Mr. Martin:

Q. You told us that CRCT was used as a point from which other stations were fed. Now, was any rental paid, to your knowledge, for the use of the CRCT studios?—A. I do not know those arrangements.

Q. Who would know that?—A. Mr. Powell.

Mr. CAMPBELL: There are some questions I should like to ask Mr. Maxted about the business arrangements of his station, other than the political part, but I think we could call Mr. Maxted again so as to rush this along.

The CHAIRMAN: Do any other members wish to ask questions of Mr. Maxted before he retires? If not, Mr. Maxted may leave.

Mr. MARTIN: Mr. Lucas, I think.

Mr. RUPERT LUCAS called.

Mr. MARTIN: I think, Mr. Chairman, that Mr. Lucas should be asked if he would prefer to be sworn.

The CHAIRMAN: It is the privilege of any member of the committee, if he so desires, to so move, but we have not done that so far.

Mr. HANSON: I think the witnesses should all be sworn.

Mr. MARTIN: I would move that Mr. Lucas be sworn.

Mr. EDWARDS: Just before that is done I would like to have it understood that everyone should be sworn if that is the case. I do not think one man should be singled out to be sworn.

Mr. McINTOSH: Is it not the practice for the adducement of evidence before these committees that every witness should be sworn?

Hon. Mr. MACKENZIE: It is entirely up to the committee.

The CHAIRMAN: Yes, whether they wish the witnesses sworn or not. Is it the wish of the committee that Mr. Lucas be sworn? If not, will the committee express their views.

Mr. JOHNSTON: I do not believe one man should be sworn and not the others.

Mr. CAMPBELL: Mr. Lucas was in very close touch with these broadcasts and naturally any evidence he gives under oath would be quite authentic.

Mr. EDWARDS: As I understand it, you will be following this up from questions you have asked other witnesses and they were not under oath.

Mr. MARTIN: Let me put it this way; I am perfectly prepared, if Mr. Lucas does not want to be sworn, that he should not be sworn. If he wishes to be sworn, all right.

Some Hon. MEMBERS: That is quite fair.

Mr. DUPUIS: My view is that all of the witnesses should be sworn.

The CHAIRMAN: Is it agreeable that if the witness wishes to be sworn he shall be sworn?

Mr. DUPUIS: That is not the point. I submit that every witness appearing before you, Mr. Chairman, should be sworn irrespective of who he is or what he wishes.

Mr. HANSON: I second that motion.

The CHAIRMAN: The decision was opposite to that yesterday.

Mr. DUPUIS: It was not decided yesterday.

By the Chairman:

Q. Mr. Lucas, what is your view? A. I have no opinion.

Mr. DUPUIS: It is not fair.

The CHAIRMAN: Do you wish to have Mr. Lucas sworn?

Mr. MARTIN: My judgment is that it is fair to Mr. Lucas.

Mr. McINTOSH: I would say he should be sworn.

Mr. JOHNSTON: You have put him on the spot, because no man would object to being sworn.

Mr. PLUNKETT: Mr. Chairman, I think it is an injustice to do this when the others were not sworn. I want this discussed, that you should not swear some witnesses and ask others to take the oath. I want this to go out to the public. I think it will be a travesty upon the committee, and people will see it that way.

Mr. CAMPBELL: I move that all witnesses be sworn.

Mr. RYAN: I think nearly every witness who has been here is coming back and we could ask them to swear to what they have said.

The CHAIRMAN: Is it the wish of the committee to establish a rule that all witnesses be sworn, because Mr. Maxted will be called back again?

Mr. McINTOSH: I would say, by all means, yes.

The CHAIRMAN: If that is the opinion of the committee we will proceed. (Whereupon Mr. Lucas was sworn).

By Mr. Martin:

Q. What is your full name, Mr. Lucas?—A. Rupert Lucas.

Q. And you live in the city of Toronto?—A. Yes.

Q. What is your professional occupation?—A. An actor prior to my entry into broadcasting.

Q. And an actor in broadcasting?—A. No, sir.

Q. Do you agree with Mr. Charlesworth that your profession was that of an elocutionist?—A. I should not say that.

Q. Mr. Charlesworth has testified to that effect?—A. I am not an elocutionist.

By Mr. Campbell:

Q. What was your first connection with radio?—A. My first connection with radio was in 1921.

Q. Explain your history in connection with radio up until the present time?—A. I think that seriously it began in 1929. In 1929 I was engaged by the Canadian National Carbon Company as an announcer with station CKNC. In 1932 I was given the position of station manager and I believe in 1933—I am not certain of this date—in 1933 or 1934, I think perhaps it would be 1934, I was made manager of the broadcasting department of the Canadian National Carbon Company.

Q. That is CKNC?—A. Yes, and also the operation of CRCT.

Q. When was your first connection with the Radio Commission?—A. September 17, 1936.

Hon. Mr. MACKENZIE: 1935.

WITNESS: 1936. No, 1935, I beg your pardon. 1935, September 17.

By Mr. Campbell:

Q. Previous to that you were working for the Canadian National Company whose station was leased to the commission?—A. Yes.

Q. From whom did you take orders, from the commission or from the Canadian National Carbon Company?—A. The Canadian National Carbon Company.

Q. Who was your superior?—A. Mr. Ewart Greig, the general sales manager of the Canadian National Carbon Company.

[Mr. Rupert Lucas.]

Q. What were your main duties?—A. I would be glad to give you an idea of them. I have jotted them down. They are rather diffuse. To supervise all commercial and sustained traffic of station CRCT and station CKNC. Contact with the National Broadcasting Company for commercials and sustained programs; all local commercial business; supervision of local accounts, and collections; responsibility for the studios; caretaker's services and stenographic work. I also did script reading. I was also acting in and producing major dramatic shows, such as, "Forgotten Footsteps" and "First Sunday." Also in special shows such as the Kipling broadcast or "Christmas with Dickens."

Q. Did you get paid for any of those special dramas?—A. Oh, I was paid a salary.

Q. By the Canadian National Carbon Company?—A. Yes.

Q. But nothing extra for any of the work that you had done for them?—A. No.

Q. Or for the commission?—A. Prior to 1934 I was paid additional fees if I worked on a program.

Q. You were given that privilege by your employers?—A. Yes, but it was discontinued in 1934.

Q. Since then you have taken nothing?—A. No.

By Mr. McIntosh:

Q. How long were you in the employ of the Canadian National Carbon Company?—A. From July 15, 1929, until August 31, 1935.

By Mr. Martin:

Q. Mr. Lucas, did you take part in any way in the Sage broadcasts?—A. Yes.

Q. Did you take part in the first one?—A. Yes.

Q. Did you take part in the second one?—A. Yes.

Q. Did you take part in the third one?—A. No.

Q. Did you take part in any broadcasts known as the Sage broadcasts apart from the first two?—A. No.

Q. Who invited you to take part in the broadcasts?—A. A representative of J. J. Gibbons.

Q. Who was that representative?—A. Well, it was not a single representative. I would say it was mentioned to me by Mr. Henshaw, but not as an engagement.

Q. Just tell the committee what Mr. Henshaw told you in that connection?—A. Merely that there was a likelihood of a dramatic skit coming along and would I like to do it.

Q. Did he give you the impression that it was to be a political broadcast?—A. I rather gathered that.

Q. You gathered from what he told you that it was to be a political broadcast. Did Mr. Henshaw tell you under the auspices of which political party the broadcast was to take place?—A. When he mentioned J. J. Gibbons, I knew.

Q. Just so that it will be on the record, who did you understand the J. J. Gibbons Company to represent as that time?—A. The Conservatives.

Q. The Conservative party. Then you were invited to take part in these broadcasts, and what was the first step taken by you and those who were to be associated with you on these broadcasts in getting up the act?—A. Well, on the Saturday night of September 7, the manuscript was brought up about nine o'clock, I would say approximately nine o'clock. That was the first time I saw it and the other members of the cast.

Q. Who brought it to you?—A. I believe Mr. Wright.

Q. Mr. Wright of the Gibbons Company?—A. I believe so.

Q. You read the script then, did you?—A. We rehearsed it right away.

Q. Who rehearsed it with you?—A. Mr. Wright did some rehearsing.

Q. That is to say, he did not take part himself as an actor?—A. No.

Q. All right, go on.—A. With suggestions from Mr. Stapells.

Q. Of the Canadian National Carbon Company?—A. Yes. And that is all.

Q. Who were present at the first rehearsal?—A. This is eight months ago, and I am puzzled.

Q. As far as you can recollect, was Mr. Henshaw there?—A. Yes.

Q. Who else were there?—A. I think Miss Grace Webster.

Q. What part did she take?—A. Mrs. Sage.

Q. And you were to take the part of Mr. Sage?—A. Yes.

Q. You were the benevolent old gentleman?—A. Yes.

Q. How many characters were there in the first broadcast?—A. I would say from memory, three.

Q. Do you remember who the third one was?—A. I do not remember the name of the character.

Q. Can you name the person?—A. Mr. George Young.

Q. Who is Mr. George Young?—A. Mr. George Young is a very well known actor in Toronto.

Q. Is he employed by any broadcasting company?—A. Not to my knowledge.

Q. Then you have told us that Mr. Henshaw was there and that Mr. Wright was there. To the best of your recollection, was anyone else present at this first rehearsal?—A. Mr. J. J. Gibbons.

Q. Pursuing your recollection further, was anyone else present?—A. No, except the control engineer, and the announcer.

Q. What was the name of the announcer?—A. Mr. Walker.

Q. Do you know whether or not the announcement that Mr. Walker made had been written out for him?—A. I could not tell you.

Q. Well, then, you put on the broadcast, and did you have any reaction to the broadcast, let us say, on Sunday, the first broadcast being on the 7th, the Saturday? Did you receive any communications by telephone or otherwise about your participation in the broadcast?—A. I did on the Sunday.

Q. Just tell us about that?—A. I would prefer not mention the name in this particular case.

Q. All right, do not mention the name.—A. I did receive a telephone call on Sunday, I believe, or it may have been Monday.

Q. Yes?—A. That it might be advisable for me to reconsider before doing any more of these broadcasts, because they were not up my alley, so to speak.

Q. How did you feel about it yourself?—A. I was not prepared to think. As a matter of fact I was engaged merely as an actor.

Q. I mean, after the broadcast?—A. I did not think.

Q. Would I be accurate in suggesting that you were pretty well sick of the whole thing after the first broadcast?—A. I would not say sick, because we do a lot of things for gain.

Q. May I say you were disturbed?—A. I think ever so slightly.

Hon. Mr. MACKENZIE: You are an actor all right.

By Mr. Martin:

Q. Mr. Sage— or rather, Mr. Lucas?—A. Shall I take another oath now?

Q. I can quite readily understand, Mr. Lucas, why you are engaged in this business. Now, we have dealt with the first broadcast. I presume that you went on to the second one, did you?—A. Yes.

Q. Was there a rehearsal for that?—A. Yes. As a matter of fact I did not know that the thing was going on any further until Saturday afternoon.

Q. Saturday afternoon?—A. The following Saturday afternoon.

Q. That would be the 14th. That is the day of the second broadcast?—

A. Yes.

[Mr. Rupert Lucas.]

Q. Was there a rehearsal held for that?—A. Yes.

Q. Where was that rehearsal held?—A. In studio "F."

Q. Of CRCT?—A. Yes.

Q. What actors took part in the second rehearsal, the same people?—A. With the exception of Mr. Young I am not certain whether there were four characters in the second one. I cannot remember, because I only saw the script once and did it once, and I have not seen the script since. Eight months is a long time to remember these things when you are doing a lot.

Q. Anyhow, you had a rehearsal?—A. Yes.

Q. Let me understand the arrangement of the studio. All studios, of course, have a control room?—A. Yes.

Q. And the control room is usually separated by glass, is it not, from the studio in which the program takes place?—A. Yes, it is usually.

Q. Confining ourselves now to the studio where the rehearsal was taking place, were only the actors present?—A. Yes, and the announcer.

Q. The same announcer?—A. I believe so.

Q. Was Mr. Donald Henshaw there that day?—A. He was not in the studio.

Q. Where was he?—A. Well, I did not pay a great deal of attention to that.

Q. Was he in the control room?—A. Yes. I did see him there.

Q. Who else were in the control room?—A. I think pretty much the same as the time before.

Q. Was Mr. Gibbons there?—A. Yes.

Q. Was Mr. Stappels there?—A. Yes.

Q. Was Mr. Wright there?—A. Yes.

Q. Was Mr. Lawson there?—A. I do not recall. I do not believe so. As a matter of fact, I am sure he was not.

Q. Was Mr. R. B. Bennett there?—A. Yes.

Q. Mr. R. B. Bennett was there?—A. Yes.

Q. And you went ahead with your rehearsal?—A. Yes.

Q. And after the rehearsal was over, did you have any contact at all with the gentlemen in the control room?—A. Yes.

Mr. MASSEY: Mr. Martin, would you permit an interruption?

Mr. MARTIN: Yes.

By Mr. Massey:

Q. Why was Mr. Bennett there?—A. I have no idea.

Q. Did he have another broadcast in the studio that night?—A. Oh, yes, Mr. Bennett was broadcasting there from ten to eleven.

Q. And he would have to be in the studio anyway for this broadcast, and the fact that he was present would not signify anything?

Mr. McINTOSH: He would be killing two birds with one stone.

By Mr. Massey:

Q. Mr. Bennett had a broadcast that night which was a national broadcast?—A. Yes.

Q. On your coast to coast network?—A. Yes.

Q. And he would have to be at the studio at the time of that broadcast?—A. Yes.

Q. So that the fact that he was there at the time of the Sage broadcast had no particular significance to that broadcast?—A. It had not to me.

By Mr. Campbell:

Q. Your broadcast was at what time?—A. I would have to refer to the logs.

Q. Here it is. 10.15 to 10.45. It was put out over your station at that time on September 14?—A. At what time?

Q. 10.15 to 10.45?

Mr. EDWARDS: That is daylight-saving time.

By Mr. Campbell:

Q. That is the same night Mr. Bennett spoke from Toronto at 9 to 10; therefore, he waited in the station for your broadcast? Is that right?—A. Well, I do not know what he was doing.

Q. What time was it when he was there? Was it previous to nine o'clock or was it after ten?—A. These times are rather confusing.

Q. This is the schedule submitted by the commission.—A. What do you want me to state?

Q. Mr. Massey has raised the point as to when he was there. It is true he had a broadcast at a certain time, but you have stated that he was in this station and I was wondering at what time?—A. I cannot say. I really cannot say whether it was before or after.

Q. Well, was it at the rehearsal or at the broadcast?

Mr. EDWARDS: Mr. Chairman, I do not see how it is possible for this witness to recall events in which he was not interested that took place eight months ago.

Hon. Mr. MACKENZIE: He is doing pretty well.

The CHAIRMAN: Yes, he is doing pretty well.

Mr. MCINTOSH: When you get the chain of association of ideas working it does wonderful things sometimes.

The CHAIRMAN: What was your question, Mr. Campbell?

By Mr. Campbell:

Q. Whether it was at the rehearsal or at the broadcast, when he was in the control room with Mr. Gibbons and Mr. Stapells, and so forth?—A. I think it was at the rehearsal after Mr. Bennett's broadcast.

Q. He was there for some considerable time?—A. I do not know for how long.

By Mr. Martin:

Q. Mr. Lucas, coming back to the point at which I left off, you say that Mr. Bennett and the others were in the control room of CRCT while you were rehearsing? Is that right?—A. Yes.

Q. Is there receiving equipment in the control room? In other words, can those in the control room, if they so desire, hear what is going on in the room where you were?—A. Yes.

Q. Is the control engineer in the control room?—A. Yes.

Q. And he would have to hear what is going on?—A. Yes.

Q. After the broadcast or after the rehearsal, did you have any contact with anyone who was in the control room during the rehearsal?—A. Yes.

Q. Did you have any conversation with any of them?—A. With Mr. Stapells.

Q. Did you have any conversation with Mr. Bennett—A. Not directly.

Q. Did you have any conversation indirectly with him?—A. It is very difficult for me to recall.

By Mr. Bertrand:

Q. Did Mr. Bennett pass any remark as to the Sage broadcast?—A. He made some observation but to recall it now—I just couldn't.

By Mr. Martin:

Q. May I suggest, did you express to anybody in Mr. Bennett's presence the security of your job in view of your participation in this broadcast?—A. I had not a job at the time.

[Mr. Rupert Lucas.]

Q. Did you suggest to anyone in the presence of Mr. Bennett what might likely happen to you as a result of your participation in these broadcasts?—A. No; I had spoken to Mr. Stapells.

Q. I beg your pardon?—A. I had spoken to Mr. Stapells, but not in the presence of Mr. Bennett.

Q. Who, to your knowledge, prepared the script which you used on the first and second broadcast?—A. Mr. R. L. Wright.

Q. Who paid you for your share in these broadcasts?—A. J. J. Gibbons.

Q. J. J. Gibbons—A. Yes.

Q. When did you receive payment for your participation in these broadcasts?—A. I received my payment for the first broadcast on the following Saturday at noon.

Mr. MARTIN: I have no further questions.

By Mr. McIntosh:

Q. I have a question or two I should like to ask the witness. You spoke about the Canadian National Carbon Company. What product does it handle?—A. Flashlights, batteries, carbons, Prestone anti-freeze.

Q. A typical, national business concern?—A. Yes.

Q. You mentioned the name of the J. J. Gibbons Advertising Company Limited, and I got from your statement that when you found out it was the J. J. Gibbons Advertising Company Limited that was handling the material for these broadcasts, the subject-matter, you came to the conclusion right away that it would be for a certain party. Do you really believe that?—A. Well, yes, I do.

Q. You do not want us to infer from that that the J. J. Gibbons Advertising Company Limited only handles business, say, from one party in Canada?—A. No.

Q. As an advertising company it takes business from all people and from all parties?—A. Yes.

Mr. MCINTOSH: It is purely a commercial organization. I just wanted to clear that point up.

The CHAIRMAN: Has anyone else any questions to ask?

By Mr. Ryan:

Q. You are employed now by the Canadian Radio Broadcasting Commission?—A. Yes.

Q. I am not sure whether you told us the date of your appointment?—A. September 17th, 1935.

By the Chairman:

Q. Have you a similar letter to the one Mr. Maxted read?—A. Yes.

By the Chairman:

Q. Would you mind reading it?—A. This is dated at Ottawa, September 17, 1935, and reads:

Mr. R. LUCAS,
Radio Station CRCT,
805 Davenport Road,
Toronto, Ontario.

Dear Sir:—

Authority has been issued to the Canadian Radio Broadcasting Commission for your appointment as Supervisor of Studios at the salary rate of \$3,500 per annum. By existing legislation this salary is subject

SPECIAL COMMITTEE

to a deduction of five per cent for the current fiscal year. The appointment has been authorized on a temporary basis effective September 1, 1935, and on the further condition that the approval granted expires March 31, 1936.

Will you kindly inform me immediately, in writing, of your acceptance, or refusal, of this appointment on the terms stated.

Yours very truly,

(Sgd.) R. P. LANDRY,
Secretary.

By the Hon. Mr. Cahan:

Q. Where is that letter addressed from, Ottawa?—A. Ottawa, yes.

Q. Did you receive it the same day?—A. On September 17?

Q. Or did you receive it the following day?—A. I would imagine the following day.

By Mr. Ryan:

Q. Did you have any conversation with anybody with regard to your employment before this came to you?—A. I did not hear your question.

Q. Did you have any conversation with any members of the Radio Commission regarding your appointment before you got that letter?—A. No.

Q. It came as a surprise to you, did it?—A. I was hoping for it.

Q. Did you make any application?—A. No.

Q. You were simply appointed out of a blue sky?—A. Oh, I don't think the sky was very blue.

Mr. McINTOSH: It was rather bright the morning you got that letter.

Mr. MARTIN: The sky was blue after the second broadcast.

By Mr. Ryan:

Q. You did not expect it, Mr. Lucas?—A. No; I hoped for it.

By Mr. Massey:

Q. You were in the same position as Mr. Maxted?—A. Exactly.

By Mr. Ryan:

Q. You say you hoped for it, but you kept your hopes to yourself, did you?—A. Pretty much.

Q. Well, just how much?—A. Well, I didn't make application.

Q. And no member of the Commission spoke to you at all?—A. No.

Q. In connection with this appointment?—A. No.

Mr. BERTRAND: Mr. Chairman, I understand that yesterday a letter sent to Mr. Howe was left with you, the said letter being signed by Mr. Charlesworth. I think it would be proper for this letter to be put in the record now.

The CHAIRMAN: I understand it is in the record.

Mr. BERTRAND: Can we use it?

The CHAIRMAN: It is part of the records of the committee now.

Mr. BERTRAND: Whether we follow the strict rules of law or not, this letter being addressed to an Honourable Minister he is the only one that has the right to produce it.

The CHAIRMAN: This correspondence belongs now to the committee and any member may have access to it. Did you want it?

Mr. BERTRAND: I have a copy here.

Mr. CAMPBELL: We took off a copy.

[Mr. Rupert Lucas.]

Mr. BERTRAND: There is one point in this letter that is in contradiction to what the witness stated.

Hon. Mr. CAHAN: I objected the other day to the production of evidence in this indirect way. Mr. Charlesworth should be available to this committee, and Mr. Charlesworth's evidence, I think, is important. A letter that he wrote many months after the event—

Mr. CAMPBELL: No, November 20.

Hon. Mr. CAHAN: Well, that is several months after the event.

Mr. CAMPBELL: Six weeks.

Hon. Mr. CAHAN: A letter to the Minister is not evidence. It is not the best evidence when we can make Mr. Charlesworth available so that he can be cross-examined and give his evidence.

The CHAIRMAN: I might say, Mr. Cahan, that this correspondence is in the possession of the committee and belongs to every member of the committee. Any member of the committee can use it. Whether or not Mr. Charlesworth is here, this correspondence belongs to the committee.

Hon. Mr. CAHAN: Quite so, but it is not in evidence.

The CHAIRMAN: It is certainly in evidence when it is filed with the commission.

Hon. Mr. CAHAN: No, it is not. All sorts of prospective evidence has been produced in correspondence, but that letter which is deemed so important should be produced when Mr. Charlesworth is here and when he may be cross-examined; otherwise it has no value so far as this committee is concerned.

Mr. BERTRAND: I am very sorry to disagree. When the Hon. Mr. Cahan speaks of best evidence, I do not know whether he is referring to the best evidence as we know it. The best evidence as to a letter signed by somebody is for that somebody to produce it, because that somebody is the author of the letter, and this letter has been written by Mr. Charlesworth under his signature. So long as nobody challenges the signature, this letter is the property of the Minister who produced it here, and we have the right to use it.

Hon. Mr. CAHAN: I suggest the Minister is perfectly right in producing everything he has. I am not reflecting upon the Minister, but when this letter is produced, the production of it is one thing and the placing of it in evidence is not proper at this time if Mr. Charlesworth is available. If Mr. Charlesworth were permanently ill or absent, some consideration might be given to it. Mr. Charlesworth should give the evidence about what he wrote in a letter to his Minister.

Mr. BERTRAND: I do not think, Mr. Chairman, that the Honourable Mr. Cahan is doubting what Mr. Charlesworth wrote in this letter.

Hon. Mr. CAHAN: I am only saying that Mr. Charlesworth should be present to identify the letter and then he can be cross-examined upon its contents.

The CHAIRMAN: Mr. Cahan, are you raising a point of order as to this letter being used or as to the committee having the privilege of referring to this letter?

Hon. Mr. CAHAN: If there is any fact that my friend, Mr. Bertrand, wishes to adduce he can adduce it from this witness, but he cannot confront this witness with the entire contents of that letter until evidence is given on oath with respect to it.

The CHAIRMAN: That is a point of order which you are raising. Does anyone else wish to speak on it?

This file is the property of the committee and any member of the committee has the right to use it as he sees fit, and I have no alternative but to

allow him to use it, as chairman of this committee. If you can show me authority otherwise, I would like to see it.

Hon. Mr. CAHAN: I know, but you could produce all my files, if you sent a notice to me with the effect of a subpoena, and I would produce them, but the use of them and the manner in which they shall be used, or the circumstance under which they shall be used, is an entirely different issue.

The CHAIRMAN: Well, here is a witness on the stand who makes certain statements which are contradictory to a letter written by the chairman of the Radio Commission.

Hon. Mr. CAHAN: That may be so. I do not know that to be a fact. I assume you are stating the case correctly. The witness can be examined and cross-examined with regard to any fact, but he cannot be cross-examined on a letter which has not yet not been identified and proved. Mr. Bertrand may ask the witness with regard to any fact and test the memory of the witness with regard to it, but he cannot at this stage be confronted with a letter which has not yet been proved as contradicting him.

Mr. BERTRAND: If we had the assurance that Mr. Charlesworth would be here at the next sitting, it would be different, but if he is sick, he might be sick more than a month or two.

Mr. RYAN: Is the same objection going to be taken to every document we have on file? Here is a letter brought by a Minister of the Crown. It is a departmental file. Surely the witness can be asked now if he knows anything pertaining to what is in that document. He can deal with the facts. It is a departmental file.

Hon. Mr. CAHAN: It has nothing to do with a departmental file.

The CHAIRMAN: Here is a letter which I will read from Mr. Charlesworth to Mr. Howe. It is dated November 21, 1935, and reads as follows:—

At the risk of wearying you I am enclosing a letter giving complete history of the "Meet Mr. Sage" broadcast, which I think it is important should go in the records. I am also sending a copy to the Prime Minister, who is, of course, mainly affected in connection therewith.

Hon. Mr. CAHAN: Quite so, but I wish to know before that letter is accepted as evidence what his sources of knowledge are, whether it is mere hearsay or whether what is in that letter is due to some incidental conversation or to a report he has had from other people.

Hon. Mr. MACKENZIE: You will admit that Mr. Howe can read that letter as an official document received by him.

Hon. Mr. CAHAN: Yes, but he is not to deal with them as facts produced.

Hon. Mr. MACKENZIE: That letter can be read into the record by the person who received it, and thereby it becomes part of the record.

Hon. Mr. CAHAN: Not as evidence. If you are depending on the knowledge of the man who wrote the letter, we should be able to test the sources of his knowledge and reliability.

The CHAIRMAN: Gentlemen, I can do nothing else but rule that this letter be allowed.

Hon. Mr. CAHAN: We differ in opinions.

Hon. Mr. MACKENZIE: We certainly do.

The CHAIRMAN: I have no alternative but to allow any member of the committee to proceed along these lines because this letter belongs to the committee and is in the possession of the committee.

Go ahead, Mr. Bertrand, ask your question.

By Mr. Bertrand:

Q. In this letter from Mr. Charlesworth, dated November 20, 1935, I see on page 2 the following paragraph, I do not impeach Mr. Charlesworth in any way, but I want to get the truth. We are trying to determine whether the commission has been used properly or improperly for political purposes. This paragraph states:

The Chairman at once took up the matter with the Commission's regional superintendent at Toronto, Mr. Stanley Maxted, and asked for full information. Mr. Maxted reported that the broadcast had not gone on the air from the Commission's own station CRCT but from the privately-owned station CFRB, Toronto, which the Conservative Party preferred because of its larger coverage.

I would like to know if it took place in the station of the Radio Commission, or not?—A. I did not follow that letter.

Q. I want to know if the Sage program was broadcast from the national radio station in Toronto, or not?

Hon. Mr. HOWE: The situation was, as it has been explained before by Mr. Charlesworth, I think, that the studio of the commission was used, but the program was put on the air from another private station. Is that correct?

Mr. CAMPBELL: With the exception of the last broadcast.

Hon. Mr. HOWE: It took the air from CRCT.

Mr. MARTIN: Three of them were from CRCT.

Hon. Mr. HOWE: Then I have the wrong impression.

By Mr. Campbell:

Q. You were supervisor of studios, Mr. Lucas, on October 11, when the last broadcast took place?—A. Yes.

Q. And it took place directly from your station?—A. Yes.

Q. Were you asked, ordered or instructed by any of your superiors to allow this to go on, or was it on your own that you allowed your studios to be used?—A. The arrangement was not made with me.

Q. You had nothing to do with it?—A. Nothing.

Q. You were not even consulted?—A. I was not even there.

Q. You were not even consulted previously?—A. No.

By Mr. Martin:

Q. You were there for the last one?—A. No.

Q. On October 11?—A. No.

Q. You were in charge?—A. No. The organization is set up so that every department is departmentalized, and when J. J. Gibbons used the studios, they were turned over to them.

By Mr. Campbell:

Q. You stated a few moments ago that you had no job at the time you were doing this. You were discharged, apparently, on August 31, I think you said earlier?—A. Yes. I have a letter in regard to that. This is a letter from the Canadian National Carbon Company Limited, 805 Davenport Road, Toronto, and it is dated July 25, 1935. It reads:

Mr. Rupert Lucas,
805 Davenport Road,
Toronto, Ontario.

Dear Mr. Lucas:—

We regret very much to advise that our arrangement with the Canadian Radio Broadcasting Commission expires on August 31st, 1935,

which means that we will no longer be operating the Broadcasting Department of CKNC.

As a result of this, we have no alternative but to advise you that your services will not be required after August 31st, 1935.

Q. You were doing the work for the Commission, but you stated a while ago that you took all your instructions from Mr. Greig?—A. Yes, up to August 31.

Q. Mr. Maxted in his evidence stated he had a contract with the commission for \$125 a week. What were your wages with the Canadian National Carbon Company?—A. \$3,000.

Q. What are you getting?—A. Thirty three hundred and something.

Q. Did you not have a contract at any time with the commission previous to this?—A. No.

By Hon. Mr. Cahan:

Q. Did you say "No" or "Yes"?—A. No.

By Mr. Campbell:

Q. What was your business previous to 1929?—A. I was a professional actor.

Q. For how long?—A. Practically all my life.

Q. In Toronto?—A. Toronto, New York, London, Boston, Chicago and other small places on occasions.

Q. Acting is your real occupation?—A. That was my profession.

Q. And you felt in taking this work you would have trouble getting back into it?—A. No; I left the profession because of personal reasons.

By Mr. Martin:

Q. Who was Mr. Sage on the third broadcast?—A. I did not see it.

Q. Do you know who was Mr. Sage on the third broadcast?—A. I could not say under oath that I know.

Q. You are familiar with Regulation 94 which provides that: ;

Each station shall keep on file a copy of: (a) the daily process-verbal; (b) the continuities of each paid program and announcement, originating at the said station.

Are you familiar with that regulation?—A. Yes.

Q. Do you know whether or not the script of the Sage broadcasts are in the possession of CRCT; that is those portions of the broadcast that were sent from CRCT?—A. They are not, to my knowledge.

By Mr. Campbell:

Q. Regarding Mr. Henshaw, you are well acquainted with him, Mr. Lucas?—A. Yes.

Q. And have been for a long time?—A. Not terribly long.

Q. When was your first connection with him?—A. I think about a year.

Q. You did not know him in the later part of 1934?—A. No. I think I had met him during the Exhibition of 1934.

Q. Do you consider he is alone in his class?—A. I certainly think very highly of his ability as a dramatist.

Q. There are other men, of course?—A. Yes. I agree with Mr. Maxted's testimony on that.

Q. You knew that Mr. Henshaw was doing work for the commission? Did he have a connection with you regarding other dramatic broadcasts?—A. Yes.

Q. And any other political broadcasts?—A. No.

[Mr. Rupert Lucas.]

Q. No other political broadcasts than the Sage broadcasts?—A. No.

Q. What was his connection with other dramatic broadcasts, just as a dramatic writer?—A. You are asking me my association with Mr. Henshaw in other broadcasts?

Q. Yes, whether he came in from an advertising agency or through your connection? What was his connection?—A. Through the agency.

Q. That was the only one?—A. I think so off hand.

By Mr. McIntosh:

Q. How long did Mr. Henshaw live in the United States?—A. I haven't any idea.

Q. Do you know how long he has been in Canada?—A. No, I do not.

Q. But while he has been here it has been in the capacity you explained this morning?—A. On occasions, yes.

Mr. CAMPBELL: There are some other questions regarding the business part of it that we can ask Mr. Lucas about later.

Hon. Mr. Mackenzie:

Q. Why did you not carry on after the first two broadcasts?—A. I notified the Carbon Company by telephone, the 16th, of my discontinuance.

Q. Any particular reason for it?—A. Well, not really particularly; it was just my opinion.

Q. You did not like the work?—A. Well, frankly, I did not think it was the kind of thing that I wanted to do.

The CHAIRMAN: Do any of the other members wish to ask Mr. Lucas any questions?

By Mr. Massey:

Q. You were Mr. Sage for the broadcast of September 7, and also the broadcast of September 14?—A. Yes.

Q. On the 17th of September you received your appointment?—A. On the 18th.

Hon. Mr. MACKENZIE: The letter was written on the 17th.

By Mr. Massey:

Q. On the 18th you received your appointment. You took part in no Sage broadcasts subsequent to receiving the appointment?—A. After that, no.

Hon. Mr. MACKENZIE: He had given notice of his discontinuance on the 16th before the letter was written here.

By Mr. Martin:

Q. Your cheque was dated as of what date?—A. September 1st.

Hon. Mr. MACKENZIE: He was paid as from the 1st of September.

By Mr. Edwards:

Q. You had no idea you were getting that cheque until you received your appointment on the 18th of September?—A. Right.

By Hon. Mr. Cahan:

Q. And I suppose the cheque he received was received at the end of the current month of September?—A. Yes, on the 30th.

Hon. Mr. MACKENZIE: He said earlier in his evidence that he was hoping.

Mr. CAMPBELL: Mr. Chairman, Mr. Harry Sedgwick the manager of CFRB is here, and on account of some evidence that was given by Mr. Charlesworth I think he feels he would like to clear up an impression that was left with the committee. It is only a short bit of evidence, but he wants to leave.

HARRY SEDGWICK called and sworn.

By Mr. Campbell:

Q. Mr. Sedgwick, what is your position in connection with CFRB?—A. I am managing director of the Rogers Radio Broadcasting Company, the company that owns and operates CFRB.

Q. You have full charge of everything in that station?—A. Yes.

Q. You heard the evidence of Mr. Charlesworth, that your station broadcasted this program?—A. I would like to explain to the committee the position of CFRB in the broadcasting of political programs. As far as the Conservative party program are concerned, the time of CFRB was always taken by the Canadian Radio Commission. None of the programs, as far as I recall, of the Conservative party originated in the studios of CFRB. They were all fed to us by line. We had no knowledge when the time was booked, who the speakers might be or what type of program was to be fed to us. We merely accepted it as we do other programs that are booked by advertising agencies or other accounts to come to us on a telephone line. The Sage broadcasts were just among those that were fed to us on a telephone line, and we had no knowledge, of course, as to what they were to be from one day to another. They were fed to us as they were to most other stations where the Sage broadcasts were carried. CFRB was booked by the Canadian Radio Commission.

Q. Was that the practice followed with other political broadcasts?—A. No, we did not get those from the commission; we got them from parties or from advertising agencies representing the parties.

By Hon. Mr. Mackenzie:

Q. Was that from the radio commission in Ottawa?—A. In Ottawa by wire confirmed by letter.

Q. Can you tell us who the wire was from?—A. W. E. Powell was the gentleman who sent the wire, and he later confirmed it by letter. The instructions were to send all the bills for these broadcasts to the Canadian Radio Commission, and that was done.

Q. Have you got either the telegram or the letter with you?—A. Yes.

Q. Will you produce them and read them into the record?—A. The first wire I received was dated at Ottawa, August 22nd, 1935, addressed to the manager, Radio Station, CFRB, Toronto:

Number 1400 stop confirming by letter complete and definite reservations over your station for conservative party which are now as follows stop nine to nine thirty p.m. e.s.t. September sixth ninth eleventh fourteenth sixteenth nineteenth twenty third twenty sixth thirtieth October third seventh tenth stop nine to ten p.m. e.s.t. October twelfth stop nine to nine thirty p.m. e.s.t. September seventeenth twentieth twenty fourth twenty seventh October first fourth eight eleven stop ten fifteen to ten thirty p.m. e.s.t. August thirty first September seventh fourteenth twenty first twenty eight October fifth stop twenty seven broadcasts card rates stop confirm.

W. E. POWELL *Cdn Radio Commission.*

[Mr. Harry Sedgwick.]

By Hon. Mr. Cahan:

Q. Mr. Sedgwick, your radio station is in a net-work of the Canadian National Broadcasting Company for all its stations?—A. No, sir.

Mr. CAMPBELL: It is a private station.

By Hon. Mr. Cahan:

Q. In connection with broadcasts covering the whole country, do you usually receive similar requests for reservations of times for the Canadian Radio Commission?—A. We never have done so.

Q. Not before this?—A. No, this was the first and the last, I believe.

By Mr. Campbell:

Q. Mr. Sedgwick, the last Sage broadcast did not go over your station, can you tell why?—A. I do not know. Really I cannot tell you.

Q. Was it on account of complaints, or anything like that?—A. Not that I know of. I got complaints but I passed them on to other parties.

Q. Did you report the complaints to the commission or to the men who were sponsoring the program?—A. I did write to the conservative party and point out to them that I had been the subject of some complaints, and pointing out that the broadcast was not originating with me; it was simply fed by the Canadian Radio Commission.

Q. Who did you write to?—A. The organizer of the conservative party of Ontario, Mr. Massey, I believe.

By Mr. Martin:

Q. Did you not express the view to the Radio Commission that you preferred to deal with an advertising agency with the expectancy of payments being more favourable than otherwise?—A. In getting these bookings in the first place, it was rather unusual. The private broadcasters have an association, and one of their rules is that they shall recognize only for commission purposes advertising agencies as far as the payment of the usual agency commission of 15 per cent is concerned, and when these bookings reached me from the Canadian Radio Commission the thought occurred to me that we probably were not entitled to recognize the Canadian Radio Commission as a recognized advertising agency, and with that thought in view, I wrote to the J. J. Gibbons Company, who were recognized as the advertising agency of the conservative party, and suggested to them I would rather have the bookings come through them in the regular way so that I could with a clear conscience sign a contract which provided for the usual rates, less the 15 per cent agency commission.

By Mr. Campbell:

Q. That was not granted?—A. Nothing happened to it. Mr. Stapells told me he had not been able to arrange that and I had better go ahead and take the business as it was offered to me.

By Hon. Mr. Mackenzie:

Q. Did you have any other correspondence from the Radio Commission?—A. Not on the Sage broadcasts, but I had some correspondence as to what I should say regarding political broadcasts. Seeking advice rather than anything else.

Mr. MARTIN: I think that letter should be read.

WITNESS: It was a letter of August 19, 1935. This was before any time had been booked for political broadcasting or before any time had been used. The letter is addressed to Hector Charlesworth, and reads:

I presume political business is giving you a bit of worry, as it is us, and we naturally want to be completely non-partisan and fair to all sides. The big argument will probably be over broadcasting time on the Saturday evening preceding the Monday election and I would appreciate if you could advise me how to propose to allocate the time as between the various political parties and by what methods you intend to arrive at such allocation as I would like to be able to advise the members of the Canadian Association of Broadcasters just how we think they should handle this matter to be fair to everyone.

With kindest regards.

By the Chairman:

Q. Who is that signed by?—A. I signed it.

By Mr. Campbell:

Q. Did you get an answer to that?—A. Yes, I got an answer to that letter dated at Ottawa, August 23, 1935. It reads:

My Dear SEDGWICK:

I have yours of August 19. Ever since last spring when it was of course a certainty that an election would take place sometime between the 1st August and the middle of October, the Commission has been giving consideration to the points you raise, and I have reason to think has arrived at satisfactory arrangements with the political parties.

With kind regards, I am

Sincerely yours,

(Sgd.) HECTOR CHARLESWORTH,

Chairman.

By Hon. Mr. Mackenzie:

Q. Is that all you have?—A. That closes the correspondence in that regard.

By Mr. Campbell:

Q. Regarding the complaints about the Sage broadcasts, did you have any other dramatic skits?—A. Not political dramatics.

Q. Was that letter between you and Mr. Massey personal?—A. It covers other matters than Mr. Sage and I would not want to introduce it unless Mr. Massey consented.

Q. No, I do not want it.—A. It was merely putting myself on record that I had been the subject of complaints and pointing out to the conservative party that I was not originating them and that these complaints, as far as I was personally concerned or my station, were probably not well founded.

By Mr. Martin:

Q. What is the practice of your station with regard to the position of a private station announcer in connection with political broadcasts?—A. Well, in an effort to avoid taking sides on any political or highly controversial subject we have made it a rule in our station—and I believe it is done in most independent stations—to provide an introduction to any speaker which definitely sets at rest in the minds of listeners that the station is taking no part in the matter being discussed.

[Mr. Harry Sedgwick.]

For instance, we do not allow our announcers to introduce a speaker directly. We will open a political program by announcing the fact that for the next fifteen minutes, or whatever the time may be, the facilities of the station have been engaged by the Liberal or Conservative party or whatever party it may be, who will bring a speaker to you in the person of Mr. So and So, and if there is any further introduction necessary, such as pointing out who the speaker is, we have always asked the party sponsoring the broadcast to bring their own speaker to make that introduction. We close our broadcasting programs by announcing that for the past fifteen minutes the facilities have been engaged by such and such party whose speaker has been Mr. So and So.

Q. Would you allow a dramatization such as the Sage broadcast, or any dramatization for political purpose?—A. We would not now, of course. We have never been faced by that problem.

Q. What is the practice, for instance, of the Columbia Broadcasting Corporation in that connection?—A. Their practice?

Q. In regard to dramatization?—A. Their practice is that they do not permit political broadcasts to be dramatized.

By Mr. Campbell:

Q. You have had a long connection with radio?—A. Not so long. A few years.

Q. How long?—A. Since 1931.

Q. How would you propose that political broadcasts should be handled, speaking from your own experience?—A. Oh, that is a very broad question.

Mr. McINTOSH: It would have to be the subject of a commission itself.

The WITNESS: I can only quote you the way they handle it in the larger cities of the United States. They reserve the right at all times to say who shall buy the air, and they also reserve the right to say whether that broadcast is of national interest and non-political. In such cases they do not charge for their time and we have carried on along similar lines in Canada. For instance, when Mr. Bennett was speaking on such subjects of national interest as trying to promote quick sale of a large national loan the time of our stations, and I believe all stations across Canada, was made available to him at no charge. But when the situation changes and an election is in the offing and a party or a candidate is wishing to enunciate the policies of that party, and seeking votes, it becomes a commercial broadcast and we charge for it.

Q. You treat it the same as other commercial broadcasts are treated?—A. Just the same.

By Mr. Massey:

Q. A short time ago you stated the Canadian Radio Commission made application to you for the use of your station for these broadcasts. That was the first application you had from them?—A. Yes.

Q. CFRB is an outlet for the Columbia Broadcasting System?—A. When you say outlet, we have an arrangement with them whereby we use a certain amount of their sustainers.

Q. And CRCT is in the same position?—A. Yes.

Q. The Canadian Radio Commission has its own basic chain?—A. That is right.

Q. In which CFRB is not included?—A. Not a member.

Q. The majority of the programs going over CRCT either from the National Broadcasting Company, sustaining programs or commission programs—they are not in the same class of commercial business?—A. That is right.

Q. Therefore, there is nothing unusual in the fact that they made application to you for the use of your station?—A. It would be unusual if they did not.

By Mr. Plunkett:

Q. I think the Radio Commission instructed you to submit all accounts to them in connection with such programs, that is, for payment?—A. Yes.

Q. Do you say that was an unusual procedure?—A. Not following the fact that they booked the time. We would expect to bill them.

By Hon. Mr. Cahan:

Q. Did that cover all the broadcasts of the Conservative party that went over your line?—A. Yes.

By Mr. Plunkett:

Q. Did you receive payment from the Canadian Radio Commission?—A. Yes, we were paid up yesterday.

By Mr. Edwards:

Q. Paid up finally?—A. Yes.

Q. How much was the last payment?—A. I do not know; I have not been in the office for two days. But at the beginning of this month I think there was \$700 or \$800 owing.

Q. It was just the clean-up?—A. Yes.

THOMAS MAGLADERY called and sworn.

By the Chairman:

Q. You are the Deputy Minister of immigration?—A. Yes.

By Mr. Martin:

Q. How long have you been in that position?—A. Since 1934.

Q. You brought to the committee yesterday a file dealing with one Donald Henshaw?—A. Yes, sir.

Q. Will you tell us briefly what you know about the case of Donald Henshaw in so far as it concerns your department?—A. Yes. We were not aware that Henshaw was an American in Canada. The first knowledge that we had was a private letter written to the minister of that time asking that Henshaw be given a landing in Canada; that is, that he be allowed, as an American citizen, to come here and get employment.

Q. Would you mind going back from there so that the committee might have the matter concisely and clearly in the proper order and tell us what was the first relationship of the department in any way to Donald Henshaw?—

A. The first relation that the Department of Immigration had was when this private letter came in asking for a landing.

Q. May I say, to refresh your memory, that I have the file before me?—A. May I say this, that I did not have an opportunity of seeing the file.

Q. You have never examined the file?—A. Not since I was called yesterday and it was here all the time.

Q. We can get along together. I have before me, for instance, what purports to be an examination held at the office of the immigration officer in charge at No. 21 Lombard street, Toronto, Ontario, on the 24th September, 1935, at the hour of 3.50 p.m. This is an examination on the application of Don Gilbert Henshaw to land and remain in Canada?—A. Yes, sir.

Q. What would that examination be in connection with?—A. The application that he had made to be allowed to remain in Canada.

Q. Then I see attached to the examination a document entitled "Decision," which reads as follows:—

[Mr. T. Magladery.]

Mr. McINTOSH: What date was that?

Mr. MARTIN: The decision is dated the 24th of September, 1935, and reads:—

Whereas the evidence showeth that Don Gilbert Henshaw made application at the port of Toronto, Ontario, on the 24th day of September, 1935, to land and remain in Canada.

The evidence further showeth that he is a citizen of the United States of America, and is employed as a Producer of Radio Programs with the Canadian Radio Commission at Toronto, and is therefore prohibited under P.C. 1413 (Contract Labour Regulation).

Therefore, I hereby reject him, and order his deportation to the place whence he came and the country of his birth and citizenship—United States of America.

That is signed by James Mitchell, immigration officer in charge, acting under the provisions of section 22, paragraph (1) of the Immigration Act.

Then there is a notation:—

Applicant advised of the right of appeal:

Q. Do you wish to appeal?—A. Yes, sir.

Appeal filed.

Who is Immigration Officer Mitchell?—A. He is the officer in charge in Toronto.

Q. Has he been in the service a long time?—A. A long time.

Q. Would you regard him as a man who knew his job well?—A. I would, yes.

Q. From that step on, what took place next? Mr. Mitchell, of course rendered the only decision he could render legally? He could not do anything else but order the man's deportation?

By Mr. McIntosh:

Q. How long was he in Canada when this deportation order took place? —A. I think the evidence would reveal that. My recollection is 18 months. We did not know that he was here.

Mr. MARTIN: That is right.

WITNESS: Then the applicant has the right to appeal from the decision of the board, in that case Mr. Mitchell.

By Mr. Campbell:

Q. That is the customary privilege?—A. That is legal. He is entitled to that. He appeals to the Minister. This was a contravention of the contract labour order. Any counsel of the Minister in charge has legal authority to waive that if he feels that the services of that particular person are necessary or required in Canada.

By The Chairman:

Q. Not without an investigation?—A. Well, sir——

Q. Has the Minister power to stop an investigation?

A. He could if he wanted to do that but he would not do it. He would have an investigation.

Mr. MARTIN: I would like to read one or two questions from the evidence of Mr. Henshaw. He was asked by the officer in charge:

Q. Are you permanently employed by the Commission?

A. Yes, sir, so far as it is possible to ascertain anything of that sort.

Q. But you have been permanently since you came in?

A. Yes. They have developed a new type of program for Canada since they brought me in—it is a combination of music and drama, and previous to that they had done nothing of that particular extent, and they brought me over to do that. And not only that but to take a group of young Canadians they have selected here to bring them in and train them. For instance, one of my artists—graduates if you may call it that—has been sent over to the BBC at London, for special training.

By Mr. Martin:

Q. Now, Mr. Magladery, we have reached the stage where an examination has taken place and Mr. Henshaw has been ordered deported by the officer in charge. From that point on, what do you know about Mr. Henshaw being deported or being allowed to stay in the country?—A. He appealed to the Minister and that appeal was decided, in the absence of the Minister, in the department by myself and one of the principal officers. The decision was not reached, however, until we had thoroughly—as far as we could, at any rate—investigated the man and his application, as we do in all cases.

Q. I see here in the file a letter from Mr. Hector Charlesworth dated October 8, 1935, addressed to Mr. Blair. Who is Mr. Blair? A. He is the assistant deputy minister.

Q. This letter reads as follows:

Dear Mr. Blair:

I have yours of October 3 with reference to the application of the above gentleman for permanent residence in Canada.

I have investigated the whole question of Mr. Henshaw's connection with our station CRCT at Toronto and first I should tell you that he has never been a permanent employee of this Commission but has been engaged by us on a piece work basis in connection with many important programs. The statement that he came to Canada at the instance of Mr. Stanley Maxted, manager of station CRCT, is inaccurate. Mr. Henshaw was sent to Canada early in 1934 in company with another well-known American broadcaster, Jack Rice, by the International Radio Club for the purpose of co-operating with the Toronto Centennial Committee in putting on a series of international broadcasts dealing with the history of Toronto to various cities in the United States. The object of this was of course to attract tourist business to Canada in connection with the Centennial celebrations of last year. While occupied in this work he became engaged to a Toronto lady and decided to remain in Canada if at all possible. Because of his unique abilities he was engaged by Mr. Denton Massey to arrange a pageant broadcast in connection with the history of the York Bible Class and subsequently by the United Church of Canada to arrange a similar broadcast which was sent over the Canadian network dealing with the ten year history of that Church.

A year or so ago this Commission was looking for a first class producing man to stage certain programs originated by us especially the "Up-to-the-Minute" features for which Mr. Henshaw has written and arranged the continuity during the past eight months. His function as to the hiring of artists relates to these programs and they are all incidental changing usually from week to week. He has shown remarkable skill in the dramatization of both historical and current events and having once been, I understand, engaged in evangelical work, has a special flair for religious broadcasts. I, myself, first came in contact with him in connection with a magnificent Calvary broadcast which we staged at Toronto for the national network last Good Friday.

[Mr. T. Magladery.]

Mr. Henshaw, as I have said, is not an officer of this Commission and has an office of his own in Toronto where he accepts engagements to put on broadcasts for many organizations with which this Commission has no direct contact. In evidence of the esteem which his work has won in Toronto I should add that in the month of July he was engaged by Mr. Denton Massey to handle all network broadcasting in connection with the Conservative Party organization.

Personally I think that Mr. Henshaw should be allowed to continue in Canada more especially if he is willing to take out naturalization papers. There are many Canadians in the United States who are engaged in radio work and I am afraid that the exclusion of a man so able and widely known in radio production as Mr. Henshaw might have serious reactions against them. While he is not indispensable to us the Commission desires to use his abilities from time to time, and I think he is entitled to be looked upon as a literary man and radio dramatist rather than as a merely contract labourer.

With kind regards, I am,

Sincerely yours,

(Sgd.) HECTOR CHARLESWORTH,

Chairman.

Hon. Mr. CAHAN: Mr. Chairman, I think we have now evidence of the impropriety of producing letters of that kind. My friend, Mr. Massey, is sitting beside me, and, if necessary, he is prepared to give evidence contradicting one or more of the statements made in that letter with regard to himself. Therefore I think the letter should be accepted subject to a cross-examination of Mr. Charlesworth as to the sources of his information in order that the reliability of the statements may be fully tested.

The CHAIRMAN: Mr. Cahan, Mr. Massey will have plenty of opportunity to cross-examine.

Hon. Mr. CAHAN: I am simply dealing, Mr. Chairman, with the utter impropriety of putting letters of that kind in as evidence. They are not evidence. The proper method is to call Mr. Charlesworth and examine him with regard to the alleged facts stated.

Hon. Mr. MACKENZIE: It is an official departmental letter. Surely that is evidence.

Hon. Mr. CAHAN: I cannot help that.

Hon. Mr. MACKENZIE: I know you cannot, but it is there.

Mr. BERTRAND: The person concerned can always come before the committee and explain it.

Mr. McINTOSH: Mr. Massey can explain that later.

The CHAIRMAN: Certainly. Gentlemen, it is now 1.00 o'clock and before we adjourn I would like to know what is the pleasure of the committee. We have here Mr. Maxted and Mr. Lucas who have their occupations in Toronto. Today is Friday.

Mr. CAMPBELL: Sit at 3.30 p.m.

The CHAIRMAN: Would you care to sit this afternoon?

Hon. Mr. CAHAN: No, I cannot. I do not think we should sit in the afternoons any more than possible because some of us have our duties in the House.

The CHAIRMAN: The only reason I suggested that, Mr. Cahan, was that probably some of the members of the committee will wish Mr. Lucas and Mr. Maxted to appear again.

Mr. CAMPBELL: There is to be further examination regarding the business end of the Commission, not regarding the political part, and we would like to have them back.

Hon. Mr. CAHAN: I thought you had ended your examination.

Mr. CAMPBELL: No, only on the political broadcasts.

By Mr. Martin:

Q. I should like to ask Mr. Magladery a question at this stage. Mr. Henshaw's application or, rather, appeal was allowed?—A. Yes, sir.

Mr. DUPUIS: I think we should sit this afternoon and allow these men to go back.

Mr. PLUNKETT: Why should we sit this afternoon? We could sit three or four mornings next week. It is not fair to ask us to come here when we have other business in the House.

Mr. CAMPBELL: We will have the same business next week in the House.

The CHAIRMAN: Is it the wish of the committee that we sit on Tuesday at 11 o'clock a.m.?

Colonel STEEL: Mr. Chairman, might I make a remark here on behalf of the commission?

The CHAIRMAN: Certainly.

Colonel STEEL: Next week is a particularly bad week from our point of view to have Mr. Maxted and Mr. Lucas away from Toronto. Certain developments in our work are culminating next week, and if you could arrange your work in such a way as to relieve them from appearing before you next week, we will be glad to have them here the following week.

The CHAIRMAN: We will arrange that.

Colonel STEEL: Thank you.

The CHAIRMAN: May I ask how is Mr. Charlesworth's health?

Colonel STEEL: We expect Mr. Charlesworth's health will be sufficiently recovered to enable him to be here on Monday.

The CHAIRMAN: The clerk of the committee will issue instructions to Mr. J. J. Gibbons and Mr. Donald Henshaw to be here on Tuesday.

(Whereupon the committee adjourned until Tuesday, April 28, 1936 at 11 a.m.)

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SESSION 1936
HOUSE OF COMMONS



SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

TUESDAY, APRIL 28, 1936

WITNESSES:

Mr. T. Magladery, Deputy Minister, Department of Immigration, Ottawa.
Mr. Don Henshaw, Dramatist, Toronto.

OTTAWA
J. O. PATENAUDE, I.S.O.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
OTTAWA

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

TUESDAY, April 28, 1936.

MORNING SITTING

The Special Committee on Radio met at 11 a.m. this day, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present:—

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Cahan, Campbell, Dupuis, Edwards, Grant, Hanson, Howard, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), Mackenzie (*Vancouver Centre*), McIntosh, Martin, Massey, Ryan.—18.

In Attendance as witnesses:

Mr. T. Magladery, Deputy Minister, Department of Immigration, Ottawa.
Mr. Don G. Henshaw, Dramatist, Toronto.

Present, subject to call, if required:

Chairman, Commissioner, and other officials of the Canadian Radio Commission, Ottawa.

Officials of the Radio Branch, Department of Marine, Ottawa.

List of communications *re* radio matters received since last meeting, viz: Conseil municipal of Causapsca, Causapsca. April 18.

Mr. A. W. Hall, 71 King St., Toronto, Ont. April 23.

The Cochrane Board of Trade, Cochrane. April.

Cecil C. Jones, University of New Brunswick, Fredericton. April 17.

Mr. G. F. MacDonald, North Bay, N.S. April 24.

Mr. Edward Dusang, 21 Granton Apts., Winnipeg, Man. April 25.

Mr. E. S. Rogers, Managing Director CFCY, Charlottetown, P.E.I.

The Chairman named Mr. Martin and Mr. Campbell as members of the subcommittee on agenda, etc., in place of Hon. Mr. Howe, who finds himself unable through press of work to attend subcommittee meetings, and Mr. Slaght, who is ill in Toronto.

The Chairman submitted the following documents, by request received from the Canadian Radio Commission, viz:

1. Extracts from minutes of Commission *re* political broadcasts in 1935. (Marked Exhibit No. 24.)
2. Statement of Account, with attached invoices, from Radio Commission to J. J. Gibbons Limited, for political broadcasts, 1935, including "Sage" broadcasts. (Marked Exhibit No. 25.)

The Chairman announced that arrangements had been made to hear Mr. Dunlop of the Musicians' Federation, Montreal, and Mr. Coffey of the Young Men's Canada Club, on Thursday next.

Also that arrangements had been made to hear the representations of the Telephone Systems, on May 12, including the Attorney General of Manitoba, and Colonel Ralston, representing the Bell Telephone Company.

The Chairman read a letter from the Transradio Press Service, New York City. (See evidence of this date.)

Mr. McIntosh filed a letter and brief from Mr. A. J. Wickens, K.C., of Moose Jaw, Sask.

Mr. T. Magladery recalled: The witness was further examined by Mr. Martin, assisted by Mr. Campbell and other members of the Committee.

Mr. Cahan filed a Minute of the Treasury Board, P.C. 11/2868 *re* appointment of Mr. Maxted and Mr. Lucas, with several others to Radio Commission. (See Appendix No. 2, this date.)

The witness retired.

Mr. Don Henshaw called and sworn: Witness examined by Mr. Martin, Mr. Campbell and other members of the Committee.

It being 1 o'clock, after some discussion, the Committee decided to meet again at 4 p.m. this day.

The witness retired to be recalled again at the afternoon meeting.

The Committee adjourned.

AFTERNOON SITTING

The Committee resumed at 4 p.m., the Chairman presiding. Members present.

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Cahan, Campbell, Hanson, Johnston (*Bow River*), MacKenzie (*Neepawa*), McIntosh, Martin, Massey and Ryan.—12.

In Attendance as witness:

Mr. Don G. Henshaw, Toronto.

Present: (subject to call, if required)

Officers and officials of the Canadian Radio Commission.

Officials of the Radio Branch, Department of Marine.

Other radio interests.

Mr. Henshaw recalled.

Witness further examined by Mr. Martin, Mr. Campbell and other members of the Committee.

Mr. Martin asked the witness if he could get from the J. J. Gibbons Company a list of all the participants, including announcers, engineers, and the scripts of the Sage broadcasts, or get all such information it would be possible for him to get. The witness was discharged at 5.15 o'clock.

Some discussion arose as to the next meeting. It was finally decided to meet again tomorrow (Wednesday) at 4 p.m., as some members of the Committee wished to hear Mr. Powell, Station Manager, an employee of the Radio Commission, before hearing the Montreal representations on Thursday.

The Committee adjourned.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

OTTAWA, April 28, 1936.

The special committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 11 a.m., the chairman, Mr. A. L. Beaubien, presiding.

The CHAIRMAN: Some of the members of the committee asked me to write to the commission requesting them to produce the minutes of the commission concerning political broadcasts during the last campaign, also any contracts made by the commission for political broadcasts during the last campaign.

As a result, I have been handed this:—

List of Documents submitted to special committee of House of Commons on Radio Broadcasting on April 28, 1936—

1. Extracts from minutes of the Canadian Radio Broadcasting Commission referring to political broadcasts in 1935 Dominion Election campaign.

2. Copy of invoices submitted by Canadian Radio Broadcasting Commission to J. J. Gibbons, Limited, Toronto, covering charges for certain political broadcasts, including "sage" broadcasts. These invoices were paid by cheque on October 1, 1935, and December 2, 1935.

3. Memorandum explaining arrangements for political broadcasts. Yesterday we had a meeting of the sub-committee.

I might inform the committee that in view of the fact that it was difficult to get a meeting of the sub-committee, I took the liberty of making certain changes. Mr. Slaght being ill and the Minister of Railways being unavailable on account of the tremendous work in the House, Mr. Martin and Mr. Campbell took the place of Mr. Slaght and Mr. Howe.

The sub-committee met yesterday and instructed me to advise Mr. Lalonde of the La Presse station in Montreal, Mr. Dunlop of the Musicians' Federation of Montreal, and Mr. Coffey of the Young Men's Canada Club, to appear here on Thursday. These gentlemen have been notified to that effect.

The sub-committee also instructed me to write to them and request them to prepare briefs and to make their representations as short as possible, because I think the committee wishes to complete its work as soon as possible.

It was also agreed that we should listen to the representations of the representatives of the telephone systems of Canada on the 12th May. The Attorney General of the Province of Manitoba, who is coming down to Ottawa, asked if it would be possible to hear them on that day, as did Colonel Ralston representing the Bell Telephone Company. We agreed to set that date aside for them.

I have received a letter which I think should be referred to the main committee. This letter is from the Transradio Press Service, New York City, and is dated April 25, 1936. It reads:—

A transcript of the minutes of the proceedings of a session of your distinguished committee, held on April 7th, has just come to our notice.

Inasmuch as most of the testimony appears to have been focused directly at our organization, we shall esteem it a great privilege to be

able to appear before your committee to clarify many of the statements made which gave an entirely erroneous, if not intentionally malicious, representation of an organization which has been scrupulously fair and friendly in all its relations and dealings with your great country. If you will accord us a few days' time, our president, Mr. Herbert Moore, will be pleased to appear before your committee personally, not only to explain the true function of Transradio, which has always been impartial, thoroughly independent and unhampered by any suggestion of propaganda in any form, but also to submit himself to any and all questions which your committee may care to propound to him.

We believe that in the best interests of Canada and the United States, it will be advantageous to your committee to hear Mr. Moore before taking any action in the matter.

Thanking you for a favourable reply, and with assurances of our high and friendly esteem for Canada and its people, we are,

Very respectfully yours,

(Sgd.) JOHN T. PARKERSON,
Secretary.

What is the pleasure of this committee with regard to this letter? I have not replied to it yet.

Mr. McINTOSH: What position does that gentleman hold in that organization?

The CHAIRMAN: He is the secretary of the Trans-radio Press Service. Should we invite him to come, and should he come at his own expense, or not?

Mr. RYAN: I would move, not that we invite him, but that he should be given an opportunity of carrying out his wishes at a certain time if he so desires.

Mr. HANSON: I second the motion.

The CHAIRMAN: It has been moved by Mr. Ryan, seconded by Mr. Hanson, that this gentleman be notified that the committee will hear his representations at their convenience. What is the wish of the committee? I declare the motion carried.

Mr. McINTOSH: Mr. Chairman, I have a letter and a brief from Mr. Alfred J. Wickens, K.C., Barrister, Solicitor and Notary Public at Moose Jaw, Sask. The letter is dated April 17, 1936 and attached to it is a brief divided into two parts. The first part offers a number of suggestions to the committee, and the second part is a condensed excerpt of radio suggestions made by Mr. Wickens, K.C., to the former government on May 1, 1935.

In his letter Mr. Wickens states:—

You may be sure that your committee will have the fervent good wishes of all those interested as I am in good music, and wholesome entertainment and pride in our Canadian citizenship, for the successful issue of your deliberations

I would like to file the letter and the brief with the committee

The CHAIRMAN: At the last meeting, Mr. Magladery of the Immigration Department was still on the stand at the time we adjourned. What is the pleasure of the committee?

Mr. McINTOSH: I think we should continue with Mr. Magladery.

THOMAS MAGLADERY recalled.

By Mr. Martin:

Q. Mr. Magladery, how long have you been with the Department?—A. Of Immigration?

[Mr. T. Magladery.]

Q. Yes.—A. Since April, 1934.

Q. Since April of 1934?—A. Yes.

Q. What was your occupation before that time?—A. I was in the Soldiers' Settlement.

Q. That is the Federal Civil Service?—A. Yes, sir.

Q. How long had you been in that Department?—A. Since late in 1930, following the election in 1930.

Q. What was your occupation before 1930?—A. Well, I had various occupations.

Q. Were you in the Government service at all?—A. Oh, no, sir.

Q. I believe that you were a member of the Ontario Legislature at one time?—A. Yes, sir.

Q. What year was that?—A. From 1914 until 1924 with the exception of the period tht I was overseas, although I was still a member.

Q. Your home town is Haileybury?—A. New Liskeard. That makes quite a difference.

Q. Is it in the same electoral district?—A. Yes, sir.

Mr. McINTOSH: They are both new towns, though.

By Mr. Martin:

Q. In connection with the letter which I read at length the other day from Mr. Charlesworth to Mr. Blair, did that come to your attention before Mr. Henshaw was allowed to stay in the country?—A. You mean before he was given the landing?

Q. No, before he was allowed to stay in the country, after he had been ordered deported?—A. Yes, we asked for that information.

Q. But you would see that letter?—A. Yes, sir.

Q. That letter would, I take it, have considerable influence in your judgment?—A. Yes.

Q. Or in your decision?—A. Oh, yes, because when an application is made for the admission of a person with certain technical services, we always go to the department interested.

Q. I take it that you paid special attention to the fact that in the letter mention was made by Mr. Charlesworth that the services of Mr. Henshaw were not indispensable?—A. That he says they were not indispensable?

Q. Yes. That would also come to your attention?—A. Yes.

Q. Referring to your examination of the other day, I asked you, "will you tell us briefly what you know about the case of Donald Henshaw in so far as it concerns your department?" Your answer was: "Yes. We were not aware that Henshaw was an American in Canada. The first knowledge that we had was a private letter written to the minister of that time asking that Henshaw be given a landing in Canada." Now, what is the letter that you referred to?—A. That private letter?

Q. Yes. You said, "The first knowledge that we had was a private letter written to the minister?"—A. Yes.

Q. What letter is that?—A. That is a personal and private letter written to the minister.

Q. In order that we can tie up the dates, was that a private letter written after September 1 of last year?—A. Well, I would not be able to say without seeing the letter.

Q. No, but just in order that we can tie up the period, you are not referring now to when Mr. Henshaw first came to Canada?—A. Oh, no.

Q. What was your first contact with the case of Donald Henshaw?—A. When this personal letter was received.

Q. That was the first time that you had any contact with it?—A. Yes, sir.

Q. It was a letter from somebody?—A. To the minister.

Q. To the minister?—A. Yes, sir.

Q. And the minister discussed that letter with you, I suppose?—A. No, I think not. My recollection is that it was just sent to our department.

Q. Sent to your department?—A. As happens many, many times every day.

Q. Would your Mr. Jolliffe or your Mr. Blair be seized with the matter first or would you?—A. It would be difficult to say because there is so much to handle that physically it is impossible for one to do it. It might go to any of the three; probably I may have seen it first; I would not be sure. The fact that the letter of the Radio Commission was addressed to Mr. Blair would make it appear as if he dealt with it, but I am not saying that, because I have no recollection.

Q. Just tell us what you recollect. Before this letter of Mr. Charlesworth to Mr. Blair, you had a conference with Mr. Charlesworth?—A. A conference?

Q. Yes?—A. No.

Q. Well, you had a telephone call with him?—A. No, I think not. I was under the impression, but as I said the other day I have not seen the file to examine it, but I was under the impression that we wrote to Mr. Charlesworth.

Q. Yes, I think that is quite proper. We might now refer to your letter. On October 3 you wrote to Mr. Charlesworth asking him about Mr. Henshaw?—A. Yes, sir.

Q. That will help to refresh your memory?—A. Yes, sir.

Q. Did you have any conversation with him before October 3?—A. I think not.

Q. Or after October 3?—A. I would say not.

Q. Did you give instructions to Mr. Blair to discuss the matter with Mr. Charlesworth?—A. Not as far as I know.

Q. Do you know whether or not Mr. Blair did?—A. I doubt that he did, but he may have; I would not be sure.

Q. On the top of the file, Mr. Magladery, is a memorandum for file signed by F.C.B. Who would that be?—A. Mr. Blair.

Q. It is dated 22nd April, 1936. I want you to help me. It says here:—

This application was turned down at Toronto on the contract labour provision but after consultation with the Chairman of the Radio Commission a landing was granted.

Do you know anything about that consultation?—A. No, I do not, unless he means the correspondence.

Q. When did you see this immigration file last?—A. Only until I saw it here the other day.

Q. What do you mean?—A. When we finally dealt with Mr. Henshaw's case.

Q. Before October 14?—A. Yes. Well, if that is the date that we dealt with the case.

By Mr. Campbell:

Q. When you granted the appeal?—A. Yes, sir.

By Mr. Martin:

Q. That is the last time you saw the file?—A. Until the other day when it was asked for.

Q. Did you go through the file the other day?—A. Yes.

Q. You read every letter in the file?—A. No, I did not have time because I was out when the notification came to me to appear. When I got that I just grasped the file and on my way over here I read it.

Q. Were there any letters removed from the file?—A. Yes, sir.

Q. Letters or letter?—A. A letter.

[Mr. T. Magladery.]

Q. A letter?—A. Yes, sir.

Q. Is that the letter?—A. That is the private, confidential and personal letter.

Q. I note on the file a copy of a letter. It is marked "personal," and it is dated September 20, from you to Mr. Lawson. Is that the letter?—A. It should not be on the file.

Q. This should not be on the file?—A. No, sir. That is a reply to a personal letter and is marked "personal". That should have been taken from the file when the personal letter was taken from the file.

Q. Were there any other documents removed from the file?—A. Yes, sir.

Q. What document was removed?—A. The memorandum.

Q. The memorandum from who to who?—A. Well it is just a memorandum. After we receive the evidence from Toronto, one of the officers in the department prepares a memorandum or a story of the whole file. Then it is handed to myself or whichever principle officer is dealing with the case, and it gives us a quick, short picture of the file.

Q. When was that memorandum removed?—A. The day that I came over here.

Q. Was it from you to Mr. Jolliffe?—A. No, it was prepared by a man by the name of Chance. May I say right here that I have the memorandum here, and I have not the slightest objection to showing it.

Q. I think we might save time if you simply showed it to us.—A. As far as I am concerned, I do not see any reason why it should not be here. That is why I brought it.

Q. Is it signed by you, Mr. Magladery?—A. No, it will be signed by Mr. Chance, a junior officer.

By Mr. McIntosh:

Q. Mr. Chance produced that?—A. He produced it and we put it on the file, then we make this memorandum here, referring to the Radio Commission, asking for that information.

By Mr. Martin:

Q. That is when you wrote to the Radio Commission?—A. Following that, you see.

Q. You do not mind, Mr. Magladery?—A. It is perfectly all right as far as I am concerned.

Q. This memorandum is dated October 2, 1935, and is addressed to Mr. A. L. Jolliffe, who holds what position in the department?—A. He is a Commissioner of Immigration.

Q. The memorandum reads: "A short time ago a private communication was addressed to the Minister by the Hon. J. Earl Lawson."—A. I am sorry. I did not know that came in there. It is all right. We may as well let it go. I am sorry that reference was in there. I thought it was just in that letter filed.

Mr. McINTOSH: That will make it much more complete.

WITNESS: It is well known, anyway.

Mr. MARTIN: As I was saying, the memorandum reads as follows:—

"A short time ago a private communication was addressed to the Minister by the Honourable J. Earl Lawson in connection with Don Gilbert Henshaw, a citizen of the United States residing at 123 Dawlish Avenue, Toronto.

It was stated in this communication that Mr. Henshaw originally came to Canada about eighteen months ago as a guest of the Canadian Radio Commission. He is an expert producer of radio programs and came to assist the Radio Commission by training for them some of their employees in the art

of stage production for broadcasting purposes. He has executed and carried out the production of "Mister Sage". He has not obtained legal admission to Canada because of the fact that he has been maintaining his connection in New York, coming into Canada for a few weeks once every two or three months in order to do the job which the Radio Commission assigned him.

He has, however, met a young woman in Canada whom he desires to marry and radio prospects seem to him so good in this country that he wishes now to remain. On receipt of this information and not having any previous advice regarding Mr. Henshaw we instructed the Immigration Inspector-in-Charge in Toronto to have Henshaw apply for landing. We have now the report from Toronto. Henshaw is 34 years of age, single, a citizen of the United States. He has been in radio work since 1922. He says that he has visited Canada for several years and that he entered Canada on October 1st, 1934, to perform work for the Canadian Radio Commission at CRCT, Toronto. His work consisted of writing up a new type of program which is a combination of music and drama for which he selects and trains the participants. He stated that the Commission have furnished him with steady employment at this work and he wishes to be permitted to remain for that purpose. He gets \$90 a week. He stated that he has \$500 here and \$700 in the United States. He expects to be married to a Toronto girl on the 26th October. He claims that he came to Canada on the invitation of the Canadian Radio Commission through Mr. Stanley Maxted who is the Director of Programs for Ontario. He states that he does a special kind of work; that he has to do with the hiring and training of artists. Since October 1st, 1934, he has made several trips back to the United States and says that on entering the United States he told their officers that he was an American citizen and on re-entering Canada he had in his possession a letter from the Commission setting forth who he was and what he was doing in Canada, which apparently was sufficient to secure his admission by our officers. The Inspector-in-Charge in Toronto has rejected Mr. Henshaw under the Contract Labour Regulation. It seems to me, however, that this is a highly skilled type of work and the Canadian Radio Commission probably could find no one in Canada quite suitable. I would suggest that before a decision is taken we communicate with the Chairman of the Radio Commission asking for his viewpoint towards Mr. Henshaw and what is their practice with regard to training Canadians for the sort of work which Mr. Henshaw is doing. It is not of course an exact science; unless a man has a peculiar flair for that kind of thing, no amount of training in the world could make him successful."

By Mr. Martin:

Q. That is from whom?—A. That is prepared by Mr. Chance.

Q. And signed by you?—A. No. It is signed by him. L. J. C. That is just a memorandum for file.

Q. I see. Did you discuss this with Mr. Chance?—A. No. Either with Mr. Joliffe—I can tell you, perhaps, if I see the writing. With Mr. Joliffe.

Q. You discussed that with Mr. Joliffe?—A. Yes.

Q. This very memorandum?—A. Yes.

Q. Do you know what is meant by what is at the top, "Refer to Chauveau of Radio Commission"?—A. Refer to the Chairman, would it be

Q. Is it "Chairman"?—A. I expect so. Mr. Joliffe just reads that, and he initials it, and I initial it. Following that we wrote to the Radio Commission.

Q. Have you any idea how Mr. Chase— —A. Mr. Chance.

Q. I beg your pardon. Have you any idea how Mr. Chance would know that Mr. Henshaw was the man who executed the Sage production?—A. Nothing is revealed on the file to say that.

Q. Well, you knew that?—A. I knew that actually from reading Mr. Chance's memorandum.

[Mr. T. Magladery.]

Q. Oh, you knew it before that?—A. I knew it, yes. Well, I am not sure whether I did or not. However, when the decision was made—I am not quibbling with the Committee at all—I knew that Mr. Henshaw was Mr. Sage.

Q. You knew that Mr. Henshaw was Mr. Sage?—A. Yes.

Q. And you also knew, from Mr. Charlesworth's letter, that Mr. Henshaw was not an indispensable person for the Radio Commission?—A. No. I rather gathered—

Q. Well, you read the letter?—A. Yes. But I gathered this, that while he may not have been indispensable, yet he was making a very fine contribution to the radio programs of Canada.

Q. There is no question about that?—A. I am not referring now to the series.

MR. EDWARDS: Would you find out, Mr. Martin, if there are any others in Canada who could have taken his place?

MR. MARTIN: I do not know that this witness is a competent person to answer that.

WITNESS: I would not be able to answer that.

By Mr. Martin:

Q. On the particular point I am discussing, Officer Mitchell sent a report, according to the file, or rather a memorandum, addressed to Mr. J. S. Fraser?—A. Yes.

Q. On September 28th? That would be the memorandum, I presume, reporting his examination?—A. Yes.

Q. And the reasons for his decision?—A. Yes.

Q. You would, of course, see that?—A. See the Mitchell report?

Q. Yes?—A. Yes.

Q. You would, of course, see that?—A. Yes.

Q. I call to your attention the last paragraph in the report of Inspector Mitchell, which is: "You will note the man—he is referring to Henshaw—states that although to date he has only engaged in work for the Canadian Radio Commission, he has been offered additional work with commercial firms as a side-line, and if permitted to remain in Canada he states he would then be in a position to accept this work also." Do you remember that paragraph?—A. Well, it is brought to my attention now. It is quite likely we paid attention to it in making the decision.

Q. You had several telephone calls before the letter from Mr. Charlesworth to you, and also after, with reference to the Henshaw matter?—A. I do not recollect.

Q. You may have.—A. I would say not, but there may have been.

Q. There may have been?—A. Yes.

Q. Someone was urging you to hurry this thing up?—A. No. I do not think so.

Q. Well, if that is not the case— —A. I am not saying it is not the case, but I have no recollection of it.

Q. I want to be fair with you.—A. Yes.

Q. Are you suggesting that some one may have been hurrying you up?—A. No. I do not think they were.

Q. You are not certain about it. You do not want to revise that?—A. To the best of my recollection—I will put it that way—there was no pressure brought to bear in the matter at all.

Q. These cases take a long time to go through, anyhow, do they not?—A. Yes.

Q. You do not hurry your inspectors at the various points. You know they are doing their best, and working as quickly as they can?—A. We do sometimes. Sometimes there is very great need.

Q. How long would you give them before they give a report?—A. After asking for an examination?

Q. Yes.—A. Oh, we would take into consideration the amount of work they have at that particular port.

Q. And Toronto port would be one of the heaviest?—A. Well, I mean the work varies. At Toronto it may be light this week and very heavy next week.

Q. But normally it is a heavy port?—A. Well, yes, I would say so.

Q. There are two letters on file here, I notice. Who is the assistant division commissioner, first of all?—A. The assistant division commissioner is Mr. Condon.

Q. Mr. Condon?—A. Yes.

Q. There are two letters from him to Mr. Mitchell within ten days, urging that this matter be reported quickly. Is there anything special about that?—A. No. Nearly every file has that on. The investigators are over-worked, as a matter of fact.

Q. What is the practice when a man has been refused admission, or rather has been ordered deported; in the event of that decision being changed by superior authorities, what is the practice? How is it done?—A. Well, he makes an appeal and is allowed to remain in Canada. If he is in Canada at the time he will be allowed to remain here until such as the decision is given. Then, if it was Toronto port, we would notify Mr. Mitchell perhaps, or it may be done through the division commissioner's office.

Q. Is there any formal document sanctioning or giving an indication of the appeal being granted?—A. Not to the appellant.

Q. Not to the appellant?—A. No.

Q. There would be something in the file, would there not?—A. There will be the decision in the file.

Q. The decision?—A. It would be in.

Q. Where is the decision in this file?—A. It will be written there some place.

Q. There is the order (showing).—A. That is the decision (indicating).

By Hon. Mr. Mackenzie:

Q. Who gave the decision, Mr. Magladery?—A. Mr. Jolliffe and myself.

MR. MARTIN: The decision is noted on the letter from Mr. Charlesworth to Mr. Blair of October 8.

By Mr. Mackenzie:

Q. Is that not done generally by the minister, Mr. Magladery?—A. No, it is not.

Q. It can be done by the deputy?—A. Oh, yes. It cannot be done by the minister, there are so many of them.

By Mr. McIntosh:

Q. Was Mr. Henshaw notified of this decision?—A. Oh, he would be, through the Toronto office.

Q. That went out through the Toronto office, not through the main immigration office?—A. No, not through there. It becomes a division matter then, Mr. McIntosh.

By Mr. Ryan:

Q. May I ask a question at this point. You say that when a deportation order is made, the person is allowed to remain in Canada. Is that what you said?—A. He is allowed to remain; if he makes an appeal, then he is allowed to remain until the decision is given concerning his case.

[Mr. T. Magladery.]

Q. I understand that. But is it not the practice to keep the applicant in custody unless he can give a bond?—A. Oh, it depends.

Q. Is that not the practice?—A. It depends altogether on the applicants.

Q. Well, what do you mean?—A. There are some that we do, those that have a bad record and so, and people that we are afraid might walk out on us and we would not know where to put our hands on them when the decision was given. Then we would keep them in custody.

Q. Or ask for a bond?—A. Or ask for a bond.

Q. Is there any strict practice or procedure in reference to that, in your department, as to what would take place?—A. No, sir.

Q. It is just simply a discretionary matter. If the applicant is ordered deported, he can live in Canada without a bond?—A. Yes. We ask them sometimes, without any bond, to report so often. That is, as a matter of fact, generally done.

By Mr. Martin:

Q. Mr. Magladery, what do you understand the contract labour clause to mean?—A. That there must not be—I can read it to you, if you wish.

Q. All right.—A. This was passed in 1929. It is ordered as follows:—

From and after the seventh day of August, 1929, and until otherwise ordered the landing in Canada of any immigrant of the following specified class, viz., contract labour, is prohibited:

Provided that the Minister of Immigration and Colonization may admit any contract labourer if satisfied that his labour or service is required in Canada.

Q. Read that again. "If satisfied that— —A. "If satisfied that his labour or service is required in Canada."

Q. I see.—A. That covers it. There are other clauses here, but I think that covers it.

Mr. MARTIN: I have no further questions.

By Mr. McIntosh:

Q. Then the decision would be arrived at by the Minister as to whether the services were required in Canada. That would be settled by the department itself, would it not?—A. I beg your pardon?

Q. That decision as to whether the services of a certain individual would be required in Canada or not would be settled by the officers of the department?—A. Yes.

Q. Would there be any investigation leading up to that decision or would it just be a general off-hand decision?—A. No, sir. We make that decision after an investigation in every case. That is, if the services of a man connected with mining, for instance, are required in Canada, then we take it up with Dr. Camsell, the Deputy Minister of Mines; if it is agriculture, we take it up with Dr. Barton.

Q. It may mean an inter-departmental examination?—A. In this case I do not suppose anybody in the department was in a position, or is in a position now to-day, to pass on the merits of a radio broadcast. So naturally the only thing for us to do is to go to the Radio Commission. We have done it in other cases and we did it in this case. You have read their letter. Now, in the face of their letter, naturally there was nothing else for the Immigration Department to do but allow the entry of Henshaw. I was going to say this—and this enters into it—that it is revealed in the file that every broadcast Mr. Henshaw would give would mean employment for three or four Canadians. That is always taken into consideration when we are considering the advisability of admitting an alien to Canada.

By Mr. Martin:

Q. In fairness to you, I want to ask you one more question.—A. All right.

Q. Having in mind that you knew that Donald Henshaw's services were not indispensable to the Radio Commission, and having in mind that you knew what the contract labour clause meant, were you not persuaded in effecting the decision that your department did effect, by the fact that you wanted this man to be of some service to the Conservative party in the campaign that was going on?

Mr. EDWARDS: Such rot! Such poppycock!

Mr. MARTIN: Will you answer the question? The chairman will have to rule as to the propriety of the question. I want you to answer that.

Hon. Mr. CAHAN: Mr. Chairman, I want to object. This witness cannot be asked to answer such an absurdity as that. In the first place, the question of indispensability does not appear in the statute at all, and the question is therefore not only a misinterpretation of the regulation, but one might use stronger terms.

Mr. RYAN: I think the witness, in fairness, would like to have an opportunity to answer that question. I think Mr. Martin is very fair in giving him the opportunity.

The CHAIRMAN: The witness can answer yes or no to the question.

WITNESS: I would like some freedom in answering the question.

Hon. Mr. MACKENZIE: You can have all the freedom you want.

Mr. CAMPBELL: Yes, all the freedom you like.

WITNESS: I would like to say this: Not once since I have been engaged in the Civil Service have I allowed political or personal matters to enter into the business of any department. I want particularly to say that now. I think there are many members on both sides of the house who were here from 1930—members who were on your side of the house from 1930 to 1935, when you were in opposition, when the Liberal party was in opposition—who will support me very strongly in that statement, that the member's politics did not make a particle of difference when he was around the Soldiers' Settlement Department or the Immigration Department.

By Mr. Martin:

Q. It must be clearly understood that no one has suggested that?—A. No.

Q. We are confining ourselves to this one matter?—A. Yes. However, the chairman gave me some freedom in replying, and since you brought up the subject, I wanted to make it very clear. Now, as far as Mr. Henshaw being indispensable is concerned, I should like to point out that we allow many people into Canada, and it is for Canada's good that they come in. I am not talking about Mr. Henshaw now. It is for Canada's good that they are allowed here, and they are not indispensable. There are many things, for instance, Mr. Martin, that you and I do every day that we do not need to do, but it is something for our comfort, and it is something to please certain sensibilities of our nature, and so on, and we do them. Now, I would not say that Mr. Henshaw was indispensable. Is the radio indispensable? Is the whole radio outfit itself absolutely indispensable? No, we can do without it. We did without it in the past.

Mr. EDWARDS: Is there anybody who is indispensable?

WITNESS: Yes, is there anybody who is indispensable?

By Mr. Martin:

Q. Are you suggesting that Mr. Henshaw is a Canadian luxury?—A. Now then, when it gets to the technical part of that, I have to depend on the technicians.

[Mr. T. Magladery.]

That is the only way we can arrive at our decisions. There is no other way. It would be too much to expect that we would know all about radio, all about art and painting, and matters like mining and so on. We cannot do it, so naturally we go to the fountain head for information. That is what we did there. In reading that letter, Mr. Martin, I am sure you will say this, that the whole trend of that letter is that this man will make a splendid contribution to radio in Canada and he should be allowed here. Now then, when the technicians say that, what can we say?

Q. In fairness to you—we are at the Sage matter again—did it not occur to you as a member of the government of Canada's service that it was an improper thing for a permanent employee of the Radio Commission—for according to the evidence before you that is what he was—to be engaged in the services of any political party for its broadcasts?—A. Well, I did not know that. I did not know that he was employed by a political party.

Q. You knew, according to your evidence that you have given this morning, that he had taken part in the Sage broadcasts?—A. I knew that he was Mr. Sage.

Q. That is all.—A. But I did not know that he was employed by any political party.

Hon. Mr. CAHAN: The evidence is clear and uncontradicted that he was not an employee of the Radio Commission.

WITNESS: Certainly I did not know that he was, if he was or if he was not. I knew nothing about that. As a matter of fact, I should say this to Mr. Martin—

By Mr. Martin:

Q. I want to be very fair to you. Do you realize what you are now saying? You knew that he was receiving money from the Radio Commission?—A. Oh, yes.

Q. That was the report of officer Mitchell?—A. Oh, yes; but not that he was employed by a political party.

Q. You knew that he was taking part in the Sage broadcasts?—A. I knew that he was Mr. Sage, but what that meant I really did not know.

Q. You knew that he executed the Sage broadcasts?—A. No, sir. I do not think so.

Q. Well, the memorandum you gave us says that?—A. Well, yes.

Q. All right.—A. He executed them? Do you mean he wrote them? No, I would not know that.

The CHAIRMAN: Does anyone else wish to ask any questions?

Mr. MASSEY: In the evidence as submitted at the last sitting of this committee on April 24, there was a letter—at page 146—written by Mr. Charlesworth, the chairman of the Radio Commission, to Mr. Blair. It clearly says in the second last paragraph:—

Mr. Henshaw, as I have said, is not an officer of this commission and has an office of his own in Toronto where he accepts engagements to put on broadcasts for many organizations with which this commission has no direct contact.

Surely that evidence is clear enough.

Hon. Mr. CAHAN: Mr. Chairman, in order that there may be no doubt about it, you gave me a copy of a minute of the Treasury Board approved by His Excellency the Governor General in Council on September 16, 1935. It is marked P.C. 11/2868, and is recommending the appointment of certain gentlemen, Mr. Maxted and Mr. Lucas. In order to clear that up, I should like that to form part of the record.

See Appendix No. 2.

By Mr. Martin:

Q. Mr. Magladery, so that there will be no doubt about this matter, may I refer you to the examination by officer Mitchell of Mr. Henshaw. That examination is on the immigration file, and that examination will be gone into by your department after the report of officer Mitchell, will it not?—A. By me personally, do you mean?

Q. By the department, by your officers?—A. By the department, yes.

Q. May I call to your attention, if I have not already mentioned it, on page 2 of Mr. Henshaw's evidence, he was asked:—

Q. Are you permanently employed by the Commission?—A. Yes, sir, so far as it is possible to ascertain anything of that sort.

Q. But you have been permanently since you came in?—A. Yes.

Now, that would come to your attention?—A. Not necessarily.

Q. No?—A. But it might.

Q. So that there will be no doubt about this, may I refer to another question on page 3, Mr. Henshaw was asked:—

Q. If you are landed in Canada is it your intention to continue in the work you are now engaged in?—A. Yes, it is. I have in addition to this Radio Commission, sir—to be frank with you—several opportunities to act as radio adviser to advertising agencies, as for instance J. J. Gibbons Company wishes me to take on a job on work for their advertising, advising them as to their radio clients. I haven't given them a definite decision on that—I could not settle—I would like to settle in Canada and in due time I would like to take out papers. If this is acted on favourably I would like to take this work. You see, up till the present time I have only been doing the work of the Radio Commission as I didn't feel I had the right to participate in additional activities.

A. Yes. Does that not bear out my contention that I did not know When you said that he was employed by a political party, I suggested that I had not the slightest knowledge that he was employed by a political party. Now you are confirming that he was employed by the Radio Commission.

Q. What I am suggesting to you is this, that you knew that he was in the pay of the Radio Commission and also in the service of the Conservative party. That is what I am suggesting to you?—A. Well, I know that he was giving the Mr. Sage broadcasts. There is no question about that. I am not quibbling about that at all.

Q. That is all?—A. I may say that I have not any knowledge of the Sage broadcasts, no personal knowledge of them.

By Mr. Campbell:

Q. It would be impossible for Mr. Henshaw to become a citizen until he had fulfilled the five year residence requirement?—A. Yes.

By Mr. Dupuis:

Q. May I put a question to you, Mr. Magladery. Irrespective of your knowledge of the fact that Henshaw was working for a political party at all, as you tried to put it in your evidence—of course, you know the facts—suppose you knew that he was going to be employed by a political party, and suppose you had been approached by a minister of the Crown begging you to allow this man to remain, what would you have done?—A. I find it difficult to give an answer to a hypothetical case.

Q. Well, that is the point?—A. I cannot answer that.

The CHAIRMAN: Are there any further questions?

[Mr. T. Magladery.]

By Mr. Dupuis:

Q. If I understand it aright, you have been approached by the organizer of the Conservative party?—A. Well, I have not been approached by him.

Q. The department?—A. No, not the department.

Mr. CAMPBELL: The minister.

WITNESS: There was a letter to the minister.

By Mr. Dupuis:

Q. I see. Did the minister give you an order to maintain him?—A. Oh, no.

Q. Did you speak to the minister about this man staying?—A. No, not to the best of my knowledge.

Q. Who rendered the decision, after all, to maintain him?—A. There was never a single-handed decision made in the department. A one-man decision I always think is a little bit bad; so that we draw on more than one, either Mr. Blair and I, or Mr. Jolliffe and Mr. Blair. In this case it was Mr. Jolliffe, the Commissioner of Immigration and myself, and we both initialled it. There was nothing underhand about it. It is there on the file.

The CHAIRMAN: Are there any further question to be asked of Mr. Magladery?

By Mr. McIntosh:

Q. The decision you made with Mr. Jolliffe would in the ordinary course of events come before the responsible minister, would it not?—A. Mr. McIntosh, there are so many of these decisions that the minister could not see them all.

By Hon. Mr. Mackenzie:

Q. What does the Act say, that the minister shall deal with it?—A. Or the deputy.

By Mr. McIntosh:

Q. Do you know if the minister did deal with this one?—A. No, sir, I dealt with it. Mr. Jolliffe and I dealt with it entirely within the department without any pressure from anybody.

Q. Your decision and the decision of Mr. Jolliffe was to allow Mr. Henshaw to come into Canada and was really an inter-departmental investigation.—A. Entirely, sir, but we sent out, as we did in this case—

Q. You were merely playing your part as a civil servant in the Department of Immigration in working out that decision and handing it out?—A. Yes, sir, and had no suggestion, help or inspiration from anybody. It was dealt with entirely as a matter of business routine.

By Mr. Edwards:

Q. And you had no knowledge that any political aspect entered into it?—A. I thought it was before that—my memory is not very clear—that he was making these broadcasts.

By Mr. Campbell:

Q. Before that?—A. And afterwards.

By Mr. Dupuis:

Q. Even if you knew that Mr. Henshaw was to work for the Conservative party, would you have refused his entry just because of that?—A. I am sorry, I do not know the answer to that.

Q. But I want you to answer yes or no?—A. Yes, but I am not able to answer because I do not know what I would have done.

Q. Suppose the point was right there for you decide now?—A. If you are suggesting would I allow politics to enter—

Q. May I suggest that be he a conservative or a liberal he is pretty much of a human being, is he not?—A. Yes.

Q. He has the same qualities, and so on, and the point is to allow a man to come into Canada providing he has the required qualifications. I do not suppose that in your department you decide yes or no just because of political considerations?—A. No.

Q. So can you right now tell us if a man tries to enter Canada, especially this Mr. Henshaw, whether you would or not care if he was going to work for Mr. So and So of the liberal or conservative party?—A. I do not know how to answer that question because it did not happen. It is a hypothetical question that I cannot answer. I would like to point this out to you, sir, if I may; that as far as the Immigration Department was concerned Mr. Henshaw did not need apparently to consult us at all. He had been in here for eighteen months, he had been giving the Mr. Sage broadcasts. He could have gone on longer. We had no idea that he was an American citizen. The fact is that he wanted to get married and he wanted to make his status sound in Canada, but as far as we were concerned he could have gone on.

Q. Was this question brought to the attention of the department before these broadcasts by Mr. Henshaw?—A. It would not have anything to do with the Department of Immigration.

Q. That is all right, but was this question of allowing Mr. Henshaw to come and reside in Canada brought to your attention before the Sage broadcasts?—A. No, sir, not until this private and personal letter was written.

Q. Was that before the elections?—A. Yes.

Q. That is what I wanted to know?—A. I thought you said before the Sage broadcasts. There were Sage broadcasts made before we knew he was an American citizen here in Canada.

Q. Who wrote that letter?—A. I would not answer that.

Q. You would not answer that?—A. I would not feel at liberty to answer that.

HON. MR. MACKENZIE: He should not be asked to reveal information concerning a private and confidential letter.

By Mr. Edwards:

Q. This man Henshaw came into Canada in a perfectly legal way, did he not, as any American citizen coming into Canada?

MR. MARTIN: This witness cannot answer that, Mr. Chairman, and I object to the question. This witness is not in a position to say, two years before Henshaw came to his attention, how Henshaw came into the country. Now, you do not know that?

WITNESS: We only have his sworn testimony, and you can take that.

MR. MARTIN: He does not say in his sworn testimony by what train or by what way he came in.

By Mr. Edwards:

Q. Let me put it this way: The reason there was objection taken to this man being in Canada was due to the fact that he was liable for deportation under the contract labour law, is that not right?—A. Yes, sir.

Q. That is the only objection so far as you know that came up regarding Henshaw?—A. Yes, that is all.

THE CHAIRMAN: If that is all, Mr. Magladery, you are excused.

I might say to the committee that at the last meeting it was decided to ask Mr. J. J. Gibbons to appear before the committee, but he has written a letter [Mr. T. Magladery.]

stating that he has gone to Winnipeg and that he could not possibly attend. The secretary of the committee sent a telegram to Mr. R. L. Wright of the J. J. Gibbons company, and up to the present time we have received no reply, and I see that he is not here this morning.

Mr. Don Henshaw is here. Is it the wish of the committee to have him appear?

Mr. MARTIN: Yes.

DON GILBERT HENSHAW called and sworn.

By Mr. Martin:

Q. Mr. Henshaw, by this time you are a familiar figure to the committee. I had the pleasure of listening to you on Sunday over the radio, and I would like to know what you meant when you said you were afraid the rules of the commission were violated. You referred to your coming before this committee, and you stated you were afraid that the rules had been violated. Had that any reference to this enquiry?—A No, I do not think so; it was merely a facetious side light during the course of the leaders' remarks.

Q. Do you know George Young?—A. George Young of the radio work in Toronto?

Q. Yes?—A. Yes, sir.

Q. Who was he employed by?—A. He is not employed by anyone so far as I know. He works for various radio programs both in the capacity of a producer and sound effects man.

Q. Do you know Edgar Stone?—A. Yes.

Q. Who is he?—A. Mr. Edgar Stone is a producer of radio programs in the city of Toronto and has an institution called "Radio Hall" where he prepares programs which he sells to whatever sponsor he may obtain be it the Radio Commission or a commercial product house.

Q. Who is John Holden?—A. He is one of the younger generation of actors in the vicinity of Toronto. The Actors' Colony Theatre is operated by him, which is a summer enterprise in that area, and he is probably one of the best juvenile actors in radio in Canada to-day.

Q. Who is Harry Cully?—A. He is a member of a piano team, the other member of which is his wife. Harry and Claudette, I think it is, or some such name.

Q. Does he sing for the Radio Commission?—A. I have never heard Harry Cully sing.

Q. Or play, rather?—A. I think he has at one time or another, but he is primarily connected with CKCL in Toronto.

Q. Is Vaughan Glaser an actor in Toronto?—A. Vaughan Glaser is an actor of many years' standing in Toronto.

Q. And Jane Mallett?—A. Jane Mallett—she also is an actress.

Q. In Toronto?—A. Yes.

Q. Employed by any particular organization?—A. No, just as the odd engagements come. She works sometimes in the Actors' Colony Theatre, sometimes in a Radio Commission production, and sometimes in a dramatic show, anywhere she can get the work.

Q. You know Maurice Boddington?—A. Yes, I do.

Q. I take it Mr. Henshaw, that you are pretty familiar with all those in Toronto who are more or less connected with radio?—A. I am.

Q. How did you come to Canada?—A. I came to Canada in May, 1934, at the invitation of the Centennial Committee of the city of Toronto.

Q. With Jack Rice?—A. The Toronto Convention and Tourist Association and the Canadian National Exhibition, in company with Mr. Jack Rice, who is

president of the International Radio Club, a body of the broadcasting industry in the United States, and whose purpose annually, in addition to radio ability, as they call it, with various station owners and operators is to get together for a week's convention. They also once a year broadcast a series of programs for the benefit of some community, state, province, or nation.

Q. We will take it that you did the job anyhow. By what train did you come?—A. I came in an automobile.

Q. Through what port?—A. No. 2 bridge, Niagara Falls.

Q. In what month, do you remember?—A. That was May 27, 1934.

Q. Have you any special reason for remembering so accurately that date?—A. Well, I would rather think that it is easy to remember the date when you arrive in a nation. It might not be so easy to remember the date when you arrived in a city in your own state, but you would remember the date when you crossed the international boundary.

Q. Was it your first visit to Canada?—A. No, sir.

Q. May I put it this way; that you do not remember your other visits to Canada as well as you remember this one?—A. I remember them quite well.

Q. You could not give me the dates?—A. Yes, I could.

Q. I would say you have a remarkable memory. Do you remember what you told the immigration officer when you came in on May 27, 1934?—A. Yes.

Q. What did you tell him?—A. I told him I was going to the Dominion of Canada, particularly the city of Toronto, for the period of some weeks. The exact time was indefinite as we did not know exactly how long we would be required to stay for the purpose of this visit.

Q. Did he ask you to make a report to him on your return?—A. Not that I recall.

Q. He may have?—A. It is difficult to say. I do not think so.

Q. You are a citizen of what country?—A. The United States of America.

Q. What is your exact position in life? I know you are connected with radio, but what do you do in connection with radio?—A. Primarily an author.

Q. You write?—A. Yes, sir, plus which fact I am a producer of programs.

Q. You know Mr. George Taggart?—A. Yes, sir.

Q. You had pretty much the same knowledge of the work that he had?—A. No, I would not say so. Mr. Taggart is in the office of the Radio Commission here in Ottawa and does a great deal of work in special events. He has given Canada those delightful broadcasts in connection with the Dionnes from time to time. He has handled the Empire broadcasts at Christmas and that sort of thing. He is a genius in the building of special events. Likewise he does some building of new ideas for radio.

Q. Now, Mr. Henshaw, you remember being examined on September 24, 1935, by Inspector Mitchell in Toronto?—A. I do.

Q. Did you see the evidence after it was transcribed?—A. No, I did not, sir.

Q. I want to read you certain questions and certain answers from this examination.

Mr. RYAN: Is it signed?

Mr. MARTIN: It is signed by Inspector Mitchell.

Mr. RYAN: Is it signed by the witness?

Mr. MARTIN: No.

Q. I will now read some of these questions and answers.

Q. When did you first come to Canada?—A. I have been coming to Canada several times for a great many years, ever since I was a lad, but I came to Canada the 1st of October 1934 to do this work for the Radio Commission—being one thousand miles from here they considered me an expert.

[Mr. Don Henshaw.]

Do you remember that question being asked?—A. I do, and I remember the answer.

Q. And you remember the answer?—A. May I make one comment there for your information?

Q. Yes, you may make any comment you wish.—A. Up until the middle of September, 1934, Mr. Rice and myself were guests of the city of Toronto, as I have explained to you, in the presentation of these programs over stations in the United States, South America, Canada and the West Indies, which were all prepared in Toronto under the direction of the Centennial, the Exhibition and the Convention Association. During the latter days of that visit both Mr. Rice and myself were anticipating returning to the United States to our accustomed activities. It was suggested to me that if I cared to stay for a few months, it would be appreciated by at least the Toronto studios of the Canadian Radio Commission, if I would do so, to do a particular piece of work in continuity and to assist in the production of some new types of programs that were to be put on the air that fall.

Q. Who suggested that to you?—A. Mr. Stanley Maxted.

Q. On page 2 of your examination it states:—

Q. How long have you been now employed with the Canadian Radio Commission?

A. Since the 1st of October, 1934.

Was that question put to you and did you make that answer?—A. As I recall, that was essentially it; yes.

Q. You were also asked this question on page 2:—

Q. Are you permanently employed by the Commission?

A. Yes, sir, so far as it is possible to ascertain anything of that sort.

Were you asked that question and was that your answer?—A. Yes. May I ask a question, sir?

The CHAIRMAN: No.

WITNESS: I mean, may I make a statement regarding the word "permanently"? Undoubtedly that is a word that is definitely in question here.

Mr. MARTIN: Yes.

WITNESS: From the beginning of my activities with the Canadian Radio Commission I was on exactly the same basis as an artist, either a soloist or violinist or anyone else who did specific work on specific occasions, but who was not on the full time payroll at a stated salary either per week or per month. I was given so much for each task that I did. In my conception, when you said "permanently," that was on the basis of program commitments for a period of a year or more.

Q. In that connection, may I ask you another question or two? Were you asked this question:—

Q. What salary do you receive?

A. Ninety dollars a week.

Was that question put to you and was that your answer?—A. I do not know whether it was stated specifically; I suppose if it is in the record, it was.

Q. Would it be accurate, Mr. Henshaw, to say that you felt that while you were engaged by the Radio Commission you did not feel at liberty to accept any other work?—A. That statement was made in the course of this hearing that was held in Toronto. May I say to you—

Q. I just want you to answer that question, because I do not want to get all over the field; that that represented pretty much your feelings, or did it not?

Mr. CAMPBELL: That you considered yourself an employee.

WITNESS: No, I did not consider myself an employee of the Commission.

By Mr. Martin:

Q. My question to you was this: Would it be accurate to say while you were employed by the Radio Commission you did not feel at liberty to accept other work?—A. That was qualified, sir, in the statement that was made, because the inspector was fully aware—

Q. I am merely asking you what you considered. I am merely asking you a question.—A. If I were a permanent employee of the Canadian Radio Commission?

Q. I will repeat the question. Would it be accurate to say that while you were employed by the Radio Commission you did not feel at liberty to accept other work?—A. You will not let me make the statement that was made there.

Q. I want you to answer my question yes or no. If you cannot, all right.

MR. DUPUIS: Answer yes or no.

WITNESS: A yes or no answer would not be an honest answer there or a complete answer. If you will allow me to answer in my own way I would be delighted to do so.

By Mr. Martin:

Q. Answer in your own way, then.—A. During the questioning in the offices of the Immigration Department at Toronto there was a considerable conversation that went on with the stenographer who was taking down the testimony and others coming in and out.

Q. But Mr. Henshaw—

MR. EDWARDS: Let us listen to this.

MR. MARTIN: I am asking this gentleman a question, and he can either answer it yes or no.

Q. I am asking you while you were employed by the Radio Commission, did you feel that you could accept other work?—A. Yes.

MR. EDWARDS: Mr. Martin, I understood you to say that if he did not care to answer yes or no, he could answer in his own way.

THE CHAIRMAN: He has answered the question.

By Mr. Martin:

Q. You have now answered, is that right?—A. Not as completely as I would like.

Q. I will give you that opportunity, because I want to be very fair with you.—A. You have been so far, and I appreciate it. May I continue the story I started?

Q. Yes, but I do not want you to make a speech.—A. I am not making a speech, but I would like to make this clear. During the course of the hearing, I am not at all acquainted with how immigration hearings are held, but I was asked a number of questions, and those questions revealed the story of my activity in Canada, in the course of which I told of such activities as I had engaged in commercially outside of the Radio Commission.

Q. You are now referring to the examination by Inspector Mitchell. I am not referring to that at all; I am asking you a simple question.—A. I beg your pardon.

Q. Do you care to give a definite answer with regard to my question?—A. Repeat it.

Q. Would it be accurate to say that while you were employed by the Radio Commission you did not feel at liberty to accept other work?—A. I have never and do not to-day hesitate to take such activity in radio work as may come my way outside of the Radio Commission.

[Mr. Don Henshaw.]

Q. You realized when you appeared before Inspector Mitchell that the question put to you and the answers given were very material as to whether or not you were going to be allowed to stay in Canada, is that right?—A. I suppose, yes.

Q. Were you asked this question on page 3? I want you to tell me whether or not this was the question put to you and whether you made this answer:—

Q. If you are landed in Canada is it your intention to continue in the work you are now engaged in?—A. Yes, it is. I have in addition to this Radio Commission, sir—to be frank with you—several opportunities to act as radio adviser to advertising agencies, as for instance, J. J. Gibbons Company wishes me to take on a job on work for their advertising, advising them as to their radio clients. I haven't given them a definite decision on that—I could not settle—I would like to settle in Canada and in due time I would like to take papers. If this is acted on favourably I would like to take this work.

I think you were very fair in your answer, but here is the last sentence of your answer which you gave on oath:—

You see, up till the present time I have only been doing the work of the Radio Commission as I didn't feel I had the right to participate in additional activities.

Now, was that the question put to you and was that the answer you gave?—A. It would be difficult for me to reply to that, sir, because the conversation lasted in Inspector Mitchell's office for an hour and a half or two hours. To recall everything that was said would be difficult. I do know this that it was stated to Inspector Mitchell during the course of that conversation that I had done and was at that time doing additional work to that which was being done for the Radio Commission.

Q. That, in spite of what I have just read?—A. Yes, sir. Whether or not that was during the examination before him or at a private conversation, I do not know.

By Mr. Campbell:

Q. Did you see him more than once?—A. I saw Inspector Mitchell for the better part of an hour and a half or two hours during which various other people came in and out of the room, and during certain periods of which time a male stenographer sat down, took notes and then went away, came back and did it again.

By the Chairman:

Q. In other words, your answer to that question is complete?—A. It is not complete, sir.

Hon. Mr. CAHAN: May I enquire where we are going? What has all this to do with the Radio Commission? Is this an appeal to this committee of the House from the decision of the Immigration Department in regard to the admission of this witness into Canada? It seems to me that there is no way in the world that we can vindicate ourselves against the charge of not pursuing our duties under the reference if we proceed along these lines.

The CHAIRMAN: I may say, Mr. Cahan, that I will have to refer to the order of reference.

Hon. Mr. CAHAN: I would like to know what it is, it would be very helpful.

The CHAIRMAN: The members of the committee have information that Mr. Henshaw was connected with the Sage broadcasts, which we are investigating.

Mr. CAMPBELL: And all political broadcasts.

The CHAIRMAN: We are investigating all political broadcasts.

Hon. Mr. CAHAN: Are we? Let us understand this. Is that statement correct, because there were a number of political broadcasts, and if we examined into all of them it would take us several months.

The CHAIRMAN: Any member of the committee who wishes to investigate any political broadcast or bring any evidence relating to political broadcasts under the order of reference has that privilege, and Mr. Martin, as far as I can determine, is exercising the privilege which is given to us under the order of reference.

Hon. Mr. CAHAN: I should read this into the record:—

To inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof.

Certainly this inquiry has no reference to that. It further states:—

To advise what, if any, changes shall be effected in the existing system of radio broadcasting; and whether the said statutes and regulations should be amended in whole or in part, and what, if any additions should be made thereto.

I cannot see how this evidence applies to that paragraph. Further:—

Also to inquire into the extent to which there has been any abuse of broadcasting privileges, either for political or advertising purposes, and to advise as to what principles should govern the regulations or control thereof.

Mr. BOUCHARD: He does not have to read any more.

Hon. Mr. CAHAN: I do not wish to read any more, but I have found no evidence yet before this committee with regard to the so-called Sage broadcasts, that there was any abuse of broadcasting privileges in that respect.

Mr. CAMPBELL: We are not through yet, Mr. Cahan.

Hon. Mr. CAHAN: No, but what has the admission of Mr. Henshaw to do with this? What has the examination which was given to him by the Immigration Department, and what has the decision of the Immigration Department admitting him to this country to do with paragraph 3 of this reference? I cannot see the connection, and I cannot conceive of the connection.

Mr. DUPUIS: The honourable gentleman will know very soon.

Mr. MARTIN: In other words, we are on our way.

Q. Mr. Henshaw, how long have you been engaged directly or indirectly, by the Radio Commission?—A. Since approximately October 1, 1934. I have done programs of various kinds, either written or produced them under their sponsorship.

Q. And you have drawn a considerable sum of money from the Commission, have you not?—A. Considerable sums of money are entirely relevant, sir.

Q. May I ask you if you can give us the total?—A. I cannot. I expect the records of the Radio Commission will give you that total.

By Mr. Campbell:

Q. The records show that from October to March, 1934, you received \$1,625, and during the last fiscal year, from April 1, 1935, to March 31, of this year, \$4,490, or a total of approximately \$6,140 for eighteen months work. That is all that you received?—A. From the Radio Commission?

Q. Yes.—A. I imagine so, sir. I have no other cheques that I have received outside of the official ones that come to us.

Mr. MARTIN: What was that total?

Mr. CAMPBELL: \$6,140, an average of \$78 a week.

[Mr. Don Henshaw.]

By Mr. Martin:

Q. That was not a bad catch, was it? I should not put it that way. That was a nice income?—A. Yes.

Q. For services that I suppose were very beneficial. I understand that you are a very able man. Before you came to work for the commission, there was nobody doing your particular job, was there?—A. That would be a question difficult for me to answer because I was comparatively unfamiliar with the activity of the Radio Commission previous to coming to Canada. There was not a program of the type I had after coming to the commission on the air at the time I came to Toronto.

Q. From 1934 on I believe you did some work for the commission in Detroit along with Mr. Rupert Lucas?—A. I did some work for the commission?

Q. Yes.—A. No, sir.

Q. Or in other points in the United States?—A. No, sir.

Q. But you did visit the United States a number of times from 1934 on?—A. From the time I came to Canada in May of 1934 until the present time I have spent a total of approximately 18 days in the United States.

Q. And the Radio Commission gave you a letter which you used to facilitate your re-entry into Canada on the occasions of those visits, is that right?—A. No, sir.

Q. You are quite sure of that? I want you to think about that. You may have made a mistake in your answer.—A. If it is to be a yes or no answer, it will be difficult to answer.

By Mr. Campbell:

Q. You either had a letter or did not have it?—A. I have had letters from them at various times, stating my activities in their behalf, yes; identifying me as a person who was engaged in at least part-time activities at the Toronto studios of the Canadian Radio Commission, yes. The extent to which that was used at the border is entirely—I do not think it was ever displayed, as I recall. A direct verbal answer was sufficient for the officers at the border.

By Mr. Martin:

Q. On page 4 of your examination, at the top of the page, you were asked:—

Q. When you had been coming over from time to time what did you tell the immigration officer?—A. I have always had a letter from the commission. When going to New York, for instance, from here naturally I stated very frankly that I was an American citizen temporarily engaged for the Canadian Radio Commission—I would tell our own men on the other side of the border—and always coming back I would have a letter in it setting forth who I was, what I was doing and where I was.

Do you remember being asked that question and giving that answer?—A. I remember a question to that effect, yes.

Q. Did Inspector Mitchell tell you right after the examination that he had to deport you?—A. Inspector Mitchell, immediately after holding what he called the board, said, "I shall have to order deportation papers prepared, which I shall do immediately. Do you wish to appeal the decision?" I asked him what he meant by appealing the decision. He said, "Do you wish to appeal above this board to Ottawa, so that the matter will be taken up by the department in Ottawa and a decision rendered?" I said, "I do."

Q. Then what did you do about it?—A. Personally I did nothing about it, because Inspector Mitchell told me that in the normal process of a week or ten days I would have some kind of reply on it.

Q. Then did you do anything when you learned definitely, ten or twelve days afterwards? Did you do anything then about trying to make sure that

you would be kept in Canada?—A. I learned nothing more until on the 11th of October when I received notification.

Q. Do you know Mr. Earl Lawson who was the chief organizer of the Conservative party?—A. I have met him several times, yes.

Q. You know him pretty well, do you not?—A. I would hesitate to say I know him pretty well. No, I do not.

Q. Did you talk to him about it?—A. At one time, yes, I conversed with him about the matter.

Q. Yes. So that you did do something about it?—A. Oh, you are confusing the issue, sir. You are asking about the time between my examination by Inspector Mitchell and the time when I was landed in Canada. I did not see Mr. Lawson during that period of time.

Q. When did you see Mr. Lawson?—A. As I recall it, it was some time in August or early September, 1935.

Q. What was the subject matter of your conversation then?—A. I told him what I had decided to do in applying for admission to Canada.

Q. You told him what you had decided to do. You wanted to make sure you could stay in Canada. You had had some reason for suspecting that somebody was trying to get you out, had you not?—A. No.

Q. You had not. At any rate, you spoke to the Conservative organizer and told him what your intentions were in August?—A. I will not say it was August, necessarily. I said in August or September.

Q. August or September. You do not want to tie it down more definitely than that?—A. It would be difficult to do so without consultation of a record somewhere in the form of a diary that I keep.

Q. You have not that diary with you, have you?—A. I am sorry, I have not.

Q. Well, you also discussed the matter, did you not with another Conservative organizer, Mr. Denton Massey?—A. I think I probably mentioned it to Mr. Massey, yes.

Q. Yes.—A. I certainly did not ask for assistance from Mr. Massey.

Q. I did not ask you that.

MR. EDWARDS: We would be glad to get the information.

WITNESS: That was the implication.

By Mr. Massey:

Q. Did you get any assistance from Mr. Massey?—A. Mr. Massey never gave me any assistance in landing in Canada.

MR. MARTIN: I had not suggested that he did.

By Mr. Martin:

Q. Did he give you any assistance in making sure that you were kept here?—A. He did not.

Q. He did not?—A. No.

Q. So that Mr. Lawson—we do not know the details; we saw a letter on the Immigration file addressed to Mr. Lawson—did this merely as a result of his single conversation with you in August or September?

HON. MR. CAHAN: Now, Mr. Chairman, Mr. Lawson is available as a witness at any time, and this witness should not be asked a question like that.

MR. MARTIN: You are quite right. I agree with you. I take that back. I think Mr. Cahan will agree with this, when I make a mistake I acknowledge it. He is quite right in that.

By Mr. Martin:

Q. When were you engaged to do some work for the Conservative party?—A. I have never been engaged to do work for the Conservative party.

[Mr. Don Henshaw.]

Q. You have never been engaged. When were you engaged to do some work for the J. J. Gibbons company who were doing some work for the Conservative party?—A. I was engaged as radio counsellor of the J. J. Gibbons company some time late in the summer of 1935.

Q. 1935?—A. Yes. To give you the exact date would be impossible; but I am confident that Mr. Gibbons can give it to you.

Q. Before the Sage broadcasts?—A. Definitely so, yes.

Q. You know Rupert Lucas?—A. Very well.

Q. And Stanley Maxted?—A. Yes.

Q. Mr. Lucas was before this inquiry last week, and he told us that he was Mr. Sage on the first two broadcasts?—A. That is correct.

Q. He also told us that those broadcasts, or rather the acting of the broadcasts took place in the CRCT studios. Were you present at the first broadcast?—A. I was present at all the broadcasts of the Mr. Sage programs.

Q. Who was Mr. Sage in the third broadcast?—A. Mr. Maurice Boddington of station CFRB, Toronto.

Q. Who were the other actors in the third broadcast?—A. It would be difficult to say offhand, but I can name all who participated in the Sage broadcasts, if that is what you want.

Q. That would be better?—A. Mr. Rupert Lucas was Mr. Sage during the first two broadcasts; Mr. Maurice Boddington was Mr. Sage in the third broadcast which originated at the studios of station CKCL in Toronto. Mr. Vaughan Glaser was Mr. Sage throughout the balance of the broadcasts of the Mr. Sage programs. In addition to those people named, there were used at various times on various of the programs: Miss Grace Webster, Mr. John Holden, Mrs. Fred B. Mallett, Mrs. J. Mallett—I believe you have it there.

Q. Yes.—A. Mr. George Young.

Q. That is not the swimmer?—A. No, definitely not. I am afraid he would be incoherent on the air.

Q. Is that all?—A. As far as I recall. I may have missed one there; but so far as I recall, yes.

Q. Who were the announcers? Do you remember?—A. I think on the first two broadcasts the announcer was Mr. Walker of the staff of CRCT.

Q. Mr. Walker of the staff of CRCT?—A. Yes.

Q. Who prepared what he announced? Do you know?—A. Mr. R. L. Wright of the J. J. Gibbons Company.

Q. Mr. R. L. Wright of the J. J. Gibbons Company prepared what Mr. Walker of station CRCT, a Radio Commission employee, announced over the air. Is that right?—A. I do not believe that, during those two broadcasts, Mr. Walker was a Radio Commission employee. I believe he was employed by the Canadian National Carbon Company.

By Mr. Campbell:

Q. Mr. Walker?—A. Yes.

By Mr. Martin:

Q. Who was the announced for the third broadcast?—A. I do not know the name of the young man who announced at station CKCL, but he is one of the staff announcers at that station.

Q. And the fourth, fifth, and sixth?—A. The fourth and fifth were also at CKCL. That is, there were two at CKCL.

Q. Yes?—A. Three at CKCL.

Q. Yes, three at CKCL.—A. Yes. The same announcer took care of them.

By Mr. Campbell:

Q. What about the last one at CRCT?—A. I think I announced that one myself, but I am not sure. I think I did.

By Mr. Martin:

Q. I was coming to that. You announced the last one at CRCT. Do you remember what you said in your announcement?—A. I have not the slightest idea.

Q. You mean you would not want to remember what you said?—A. No, I do not mean that. The script was presented to me and I read what was on that script, as any other announcer would do.

Q. I see. That was prepared by Mr. Wright also?—A. Yes.

Q. Do you do much announcing, normally?—A. I have done comparatively little in Canada.

Q. That is not your field?—A. I have done, on one program that I did for the Radio Commission. I announced two other programs.

Q. Did you approach Mr. Lucas, asking him to take part in the broadcast as Mr. Sage?—A. Yes, I did.

Q. You asked him to do that?—A. Yes.

Q. Do you remember what he told you the first time?—A. I do not remember the conversation.

Q. You do not?—A. No.

Q. Who told you to ask Mr. Lucas?—A. Mr. R. H. Stapells of the J. J. Gibbons Agency.

Q. He told you to ask Mr. Lucas?—A. Yes.

Q. Who else did you approach, asking that they take part in these programs?—A. I called other actors who were needed on that night, namely, George Young and Grace Webster. I invited them to come down to the J. J. Gibbons Company where Mr. Wright, Mr. Stapells and Mr. Gibbons, would meet with them, give them the script for the broadcast and rehearse them in it.

Q. And for each broadcast there was a rehearsal?—A. Yes.

Q. And you attended all rehearsals?—A. No, I did not.

Q. How many rehearsals did you attend?—A. That would be difficult to say.

Q. About how many?—A. I suppose about half of them.

Q. About half of them?—A. Yes.

Q. And the rehearsals that you attended took place in what studio?—A. The rehearsals took place at the J. J. Gibbons home, the J. J. Gibbons Agency in the Commerce and Transportation Building, Toronto; and the dress rehearsal was held each time preceding the broadcast, I should say, in the studio where it was to be enacted for the radio audience.

Q. When was the last time that you had done some work for the Radio Commission? In other words, when did you receive a check last?—A. Are you talking about the Sage matter?

Q. No, I am talking about generally.—A. The last date that I did a program for the Radio Commission?

Q. Yes?—A. A week ago last Sunday evening.

Q. Did you receive a cheque for those services?—A. I have not yet, sir.

Q. When did you receive your last cheque?—A. I believe it was the week before last.

Q. Then during the rehearsals that you attended, what did you do? Did you just sit around?—A. We are back to the Sage matter again?

Q. Yes.—A. No. It was my duty, when these broadcasts were on, to co-ordinate between the control room operator, the studio in which the musical signature was being presented and the studio where the actors were located. It is a task that would normally be called a production job. I was interested in discovering that it was an execution.

Q. Mr. Lucas told us the other day that, after the second broadcast, he retired. He said that he was ever so much sick of the broadcast and his share in it. What was your reaction to that, having in mind that you were receiving some money from the Radio Commission?—A. My reaction to Mr. Lucas?

[Mr. Don Henshaw.]

Q. No, to the Sage broadcasts?—A. You are asking for my opinion of the Sage broadcasts or my reaction to them?

Q. Yes. Did you feel like Mr. Lucas felt about it when he retired?—A. Please do not tie it in with what Mr. Lucas might have felt. He was employed as an actor. I was employed as radio counsellor of the J. J. Gibbons Company. I had nothing to do with the preparation of the script. I knew nothing about Canadian politics. I did know something about handling the studio and something about calling professional actors.

Q. Would you say, in that connection, that you were pretty much an indispensable factor in the broadcasts?—A. In the Mr. Sage broadcasts?

Q. Yes.—A. No.

Q. If you did not do the job, someone else would?—A. Someone would have had to do it.

Q. So that, to that extent, you were indispensable?—A. While the program was on the air, yes.

Q. Where can the script of the Sage broadcasts be obtained now? Do you know?—A. I have not the slightest idea, because they were collected after every broadcast by one of the officers of the J. J. Gibbons Company.

Q. You are still with J. J. Gibbons?—A. I am called in from time to time for counsel work.

Q. As a matter of fact, have you not seen the script within the past few days?—A. I have not.

Q. Have you seen the script since the last broadcast?—A. I have not seen the script since the Saturday preceding the general election.

Q. You might tell me, if you can—if you cannot you cannot—how Mr. Charlesworth would know that you were taking part in the Sage broadcasts?

Hon. Mr. CAHAN: Would it not be better to ask Mr. Charlesworth?

Mr. MARTIN: This witness may also be able to give the reason. He may have talked with him. I do not know.

WITNESS: I never discussed the Sage broadcasts with Mr. Charlesworth; no, sir.

By Mr. Martin:

Q. You do not know how he would know that?—A. I could think of a conceivable way, if it would do you any good.

Mr. EDWARDS: No, no.

Hon. Mr. CAHAN: I object to suppositions. We will ample opportunity in a few minutes, if Mr. Charlesworth goes on the stand, to ascertain exactly the source of his information. This witness cannot give reliable first-hand information with regard to it.

Mr. RYAN: This is not a law court, Mr. Chairman.

Hon. Mr. CAHAN: It is a court where ordinary decency should prevail.

Mr. RYAN: I think it has prevailed.

The CHAIRMAN: What is your question, Mr. Martin?

Mr. MARTIN: I would ask the reporter to read it.

Reporter read question:

Q. You might tell me, if you can—if you cannot you cannot—how Mr. Charlesworth would know that you were taking part in the Sage broadcasts?

By the Chairman:

Q. Can you answer that?—A. Yes. I could answer that, and I do not object to doing it.

Mr. MARTIN: I do not see why you should.

Mr. CHARLESWORTH: I think I can answer that. I did not know until this morning, when I heard Mr. Henshaw testify, that he had taken part in the Sage broadcasts.

The CHAIRMAN: Then you do not wish to give any further evidence?

Mr. MARTIN: I think that we ought to be fair to all the witnesses. Mr. Charlesworth was not here yesterday, and his letter is on the record. I do not think, in fairness, that he should be asked to make a statement; but if he wants to leave it in, it is perfectly agreeable to me.

By Mr. Martin:

Q. Before you were interrupted, you were about to make a statement?—

A. If Mr. Charlesworth knew then, or anyone else in the Ottawa offices of the Radio Commission knew that I had anything whatsoever to do with Mr. Sage, it would very naturally, sir, come through the fact that the first two broadcasts were presented in the studios that were occupied at that time by the Radio Commission in Toronto.

Q. That is how you would think Mr. Charlesworth might know?—

A. Evidently the engineers and the other attendants would see my presence.

Q. You were here all morning? You have been here all morning?—A. Yes.

Q. You heard Mr. Magladery's evidence?—A. Yes.

Q. He observed that, in that memorandum to Mr. Joliffe, mention was made of your participation in the Sage broadcasts?—A. Yes, I heard that.

Q. Can you tell us how he would know that?—A. I have not the slightest idea. I can say this, that the manner in which it was stated was entirely a misapprehension, because I was not the executor nor the executioner of Mr. Sage.

Q. You were somebody else's executioner eh? Now, after the second broadcast, what did Mr. Lucas do? Did he have anything further to do with the broadcasts?—A. Not at all.

Q. Not at all?—A. No.

Q. Was he present at any of the rehearsals?—A. You mean after the first two?

Q. After the second?—A. No, indeed he was not.

Q. He was not? You saw Mr. Maxted possibly several times at the rehearsals?—A. No, I did not.

Q. At no time?—A. I may have passed Mr. Maxted in the corridors of CRCT at the time we were up there engaged in rehearsing this program, because his office happens to be in the building. He is usually there at night. But so far as I know, I do not remember seeing him in on the broadcasts. He may have listened to them in his own office or observed them through a window. I do not know.

Q. Do you remember, when you announced your last broadcast, saying who were sponsoring the broadcast?—A. I believe it was written and presented by Mr. R. L. Wright for a group of Conservatives, or something of that sort. The exact phraseology I do not recall.

Q. Would this be pretty much what you said: "The following program is announced and sponsored by R. L. Wright, writing for a group of Conservatives."—A. "Is announced," did you say?

Q. The following program is announced and sponsored by R. L. Wright, writing for a group of Conservatives?—A. I am confident it would not be, "The following is announced and sponsored by R. L. Wright." It was to the effect that it was written and sponsored.

Q. Pardon me. That is right. How many broadcasts other than the Sage broadcasts did you participate in during the last election? That is, how many political broadcasts? Do you remember one, or did you participate in one called "The Woman Pays"?—A. Yes, I think so.

[Mr. Don Henshaw.]

Q. Was it a political broadcast?—A. It was sponsored by the Conservative Party.

Q. Who took part in it?—A. It would be difficult for me to say.

Q. You would not be the woman in "The Woman Pays"?—A. I do not profess to be an actor, either male or female.

Q. You directed that, did you not?—A. Yes. I handled it in the studios, sir.

Q. Yes. You directed it. Who took part in it?—A. I imagine that there was Grace Webster—

Q. Just a minute. Unless you are absolutely certain, do not tell us.—A. I cannot give you the exact information, naturally.

Q. Well, you must remember. You directed it. You must remember who took part in it.—A. May I point this out just out of fairness to yourself and to myself?

Q. Yes, sure.—A. At the time that these broadcasts were going on, both Mr. Sage and any that were being done by the agency for any other group, I was also conducting dramatic programs for the Canadian Radio Commission. People were called from the same general casting list which is on file at every advertising agency in Toronto and at every radio studio and I was calling people for a half a dozen different shows perhaps, in the course of two weeks. It would be difficult to say that on such and such a date for such a program I called certain people.

Q. To the best of your knowledge then, who were the participants?—A. I would hesitate to bring in the name of anyone without being able to check up the date.

Q. Was Rupert Lucas one?—A. No, indeed.

Q. Was Stanley Maxted?—A. No.

Q. Was Mr. Boddington?—A. No.

Q. Mr. Walker?—A. No.

Q. Then there was another broadcast, "Canada in the Year 1936"?—A. Yes.

Q. What did you have to do with that broadcast?—A. I prepared it in the studio.

Q. When you say you prepared it, you mean you wrote it?—A. No. I produced it in the studio. I went through the rehearsal with the actors, co-ordinated with the orchestra, and put it on the air.

Q. You did pretty much in respect to this broadcast what you did in the Sage broadcasts?—A. Yes.

Q. Then there was another one entitled "The Men Who Toil." That was a political broadcast?—A. Yes.

Q. You directed that? You produced it in the studio?—A. Yes.

Q. Then there was another one, "I am Twenty-One"?—A. That is right.

Q. And you helped produce that?—A. Well, that was a matter of speech making, sir. I could not say that I produced that, because I did not produce any of the Conservative candidates' speeches in Ontario or teach them what to say. I was there co-ordinating the music at the beginning and the end of the program.

Q. All those broadcasts—"The Woman Pays," "Canada in the Year 1936," "I am Twenty-One," and "The Men Who Toil"—were all sponsored by the Conservative Party, were they?—A. Yes.

Mr. EDWARDS: Do you know that?

Mr. MARTIN: He said "Yes."

Mr. EDWARDS: We know that.

Mr. MARTIN: I did not know it.

By Mr. Edwards:

Q. They came from Gibbons?—A. Yes.

By Mr. Martin:

Q. Who were the agents for the Conservative Party?—A. Yes.

Q. Do you remember participating in a broadcast of October 31st, other than the one I have mentioned? I have not the name of it.—A. October 31?

Q. Yes, after the election?—A. Do you mean a political broadcast?

Q. No, a broadcast in which reference was made to the campaign that was over?—A. What day of the week was that? —What day was October 31st?

Q. I do not really know what day of the week it was.—A. The reason I asked that is because I had a program carried over the national network of the Radio Commission, on Fridays.

Q. I am told it was a Thursday.—A. I do not believe that the program on Thursday,—unless there was a period when the Up-To-The-Minute Program was carried on Thursday and then returned to its present place on Friday. I believe it had been displaced during the political campaign by that one day.

Q. Did Mrs. Lucas play under the pseudonym of Connie Stuart?—A. That is her proper name.

Q. Connie Stuart?—A. Yes. Constance Stuart is her maiden name, and therefore her stage name, as all artists continue their maiden names after they are married.

Q. She took part in the third broadcast, did she not?—A. In which third broadcast?

Q. The Sage broadcast?—A. I do not recall.

Q. In the fourth?—A. I do not recall that she did.

Q. In the fifth?—A. I do not think she had anything to do with any of them. If she had, it has entirely escaped my memory.

Q. Have you ever been in Ottawa before this visit?—A. Yes. I was here last in the Fall.

Q. In the fall?—A. Yes, last August—in the late summer.

Q. Before October 14?—A. This is probably the point. I came down twice during the political campaign to Ottawa.

Q. Who did you see when you were here?—A. I saw Mr. Lawson.

Q. Mr. Lawson? Who else?—A. I saw Mr. Lawson's assistant, Dick Bell—Mr. Richard Bell.

Q. Yes?—A. And from those talks on the first visit—is this what you want to know?

Q. Yes.

By Mr. Campbell:

Q. Tell us all that you saw?—A. Oh, you cannot tell all that you see in Ottawa.

Q. I did not realize that.

By Mr. Martin:

Q. In deference to Mr. Campbell's innocence, Mr. Henshaw, just confine yourself to the things that you would want to tell.—A. On the first occasion I was in company with J. J. Gibbons and Mr. R. A. Stapell of the Gibbons Agency, who came to consult with Mr. Lawson about the proposed campaign for the Conservative Party whom they were representing as advertising agents, and to ascertain from him exactly what he wanted them to do. In the course of that conference it was determined that certain set-ups would be used in the form of national broadcasts and certain provincial broadcasts. A tentative schedule was made up after which, in company with the same two gentlemen,—

[Mr. Don Henshaw.]

Mr. Lawson remaining in his office or going to his ministry,—we went to the offices of the Canadian Radio Commission, there to ask for the permission which is required for net-work facilities; likewise to ascertain if it would be possible to save the middleman in the form of a broker, for the talking to be done directly for those time allotments on the stations from the Radio Commission office.

By Mr. Campbell:

Q. Did they give you a discount?—A. I beg your pardon?

Q. You said to eliminate the need of a broker, and I want to know the reason for that?—A. Because since you had to go to the Radio Commission in the first place to get permission to have a network, and that applies to each broadcast, why not concentrate the entire matter in one place and not scatter it about?

By Mr. Martin:

Q. Who did you see at the Radio Commission office?—A. Mr. Charlesworth, Colonel Steel and Mr. Powell.

Q. About what date was that?—A. I could not possibly give it to you, I do not recall it.

By Mr. Campbell:

Q. That would be in August, would it not?—A. I imagine so, yes.

By Mr. Martin:

Q. And you discussed the Conservative party broadcasts at that conference?—A. Yes, sir.

Q. Have you ever talked to Mr. Bennett?—A. I never have.

Q. You have not had that pleasure?—A. I am sure it would be.

The CHAIRMAN: It is now 1 o'clock, gentlemen, what is the pleasure of the committee? Shall we sit this afternoon?

Mr. EDWARDS: Have you finished with Mr. Henshaw?

The CHAIRMAN: No.

WITNESS: May I say that it is going to be quite necessary for me to return to-night.

The CHAIRMAN: Mr. Henshaw would like to return tonight. He says it is necessary. Is it on account of an engagement?

WITNESS: Yes.

Mr. CAMPBELL: I do not think it would take very long, but while he is here I think we should clear up certain matters regarding his other connections with radio.

The CHAIRMAN: Is it the pleasure of the committee that we meet this afternoon, say at 3.30 o'clock?

Mr. McINTOSH: That is a little early, is it not, Mr. Chairman?

The CHAIRMAN: Well, say 4 o'clock, and we will meet in this room.

Before we rise may I say that Mr. Martin made a request that Mr. J. J. Gibbons should be here for this meeting. It is impossible for him to be here. We sent a telegram to Mr. R. L. Wright of the J. J. Gibbons Company, and he informs us by telegram that he is in Winnipeg and that it is impossible for him to attend.

Mr. MARTIN: I think Mr. Wright should be here.

The CHAIRMAN: He is in Winnipeg. He says, "I will place myself at the disposal of the committee any time after Saturday night."

Mr. CAMPBELL: Mr. Wright is not in Winnipeg, is he?

The CHAIRMAN: Yes.

Mr. CAMPBELL: I thought it was Mr. Gibbons who was there.

The CHAIRMAN: No.

Hon. Mr. CAHAN: I suggest that at the rate we are proceeding we will be here for some time.

Mr. MARTIN: We are doing very well.

(At 1 p.m. the committee adjourned until 3 p.m.)

AFTERNOON SESSION

The committee resumed at 4 p.m.

The CHAIRMAN: Gentlemen, if you will come to order, we shall proceed. Mr. Henshaw, will you please resume the stand?

DONALD HENSHAW resumed the stand.

By the Chairman:

Q. You understand you are still under oath, Mr. Henshaw?—A. Yes.

By Mr. Martin:

Q. I want to ask you just a few questions more or less to finish up. You gave us this morning the names of the participants in the Sage broadcast as you could recall them, and the announcers, having in mind the same limitation. Can you give us the names of the engineers?—A. I doubt if I could.

Q. Can you give us— —A. Because in two of those broadcasts there were at least two engineers employed, because the two studios were used, and it would be difficult to recall them.

Q. What studios were used other than CRCT?—A. Two studios in CRCT; there are six of them there.

Q. Well, I wonder if you could do this for us—are you going back to Toronto tonight?—A. Yes.

Q. You have access to the files of J. J. Gibbons Company?—A. I could not say I have access to the files.

Q. You have access now, have you not?—A. I am sorry, I have not, sir.

Q. Will you try to get from J. J. Gibbons and Company tomorrow a list of all the participants, the announcers, if they have this information on hand, and the engineers, and will you be good enough to ask J. J. Gibbons and Company to let us have the scripts of the Sage broadcasts?—A. Without attempting to change your wish around at all, or thwart it in any way, may I make this statement, which perhaps will clarify it a little bit in your mind: The J. J. Gibbons Company would not have a list of the announcers or engineers; they would have a list, which I suppose would be in the records of their treasury department, of those who were employed on the broadcast. In other words, the musicians and the actors. The reason for that is that in obtaining the use of the studios of CRCT and CKCL for those broadcasts they paid a flat sum for the use of these studios and the studio personnel, which included announcers and engineers.

Q. They paid a flat sum for the use of the studios?—A. And the personnel in the form of engineers and announcers. That is customary in broadcasting.

Q. Do you know as a matter of fact that they did pay a sum for the use of the studios?—A. I did not see any of the vouchers, sir, because I had nothing

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to do with that phase of it; but I do know such an arrangement was made because I heard a discussion concerning it in the conference which we referred to before lunch.

Q. Yes. Then will you try to get what information you can along the line I have suggested. We can get it from Mr. Gibbons or Mr. Wright, because we asked them to come here to-day. They are not here to-day owing to another engagement. It would facilitate the work of the committee if you could do that?—A. I shall be glad to pass it on to them, but it would be more effective if you also wrote and asked them to bring that information, specifically.

Q. I thought I could prefer you to do that.

The CHAIRMAN: What is it you want?

Mr. MARTIN: I want the names of the participants in the Sage broadcasts, the names of the announcers, if they have them. Mr. Henshaw seemed to think they would not have that information. I should also like to have the names of the engineers if they have them.

By Mr. Martin:

Q. Can you tell us the names of the engineers who were on duty and also the names of the announcers?—A. I rather expect that if you were to enquire of the station manager at CRCT and the station manager of CKCL, and by reference to their log books, they could ascertain who were on duty at the hours that those broadcasts were presented.

Q. Now Mr. Maxted produced log books that were rather incomplete, and we should like some supplementary information?—A. I would imagine—I am not fully acquainted with the internal operations of either CRCT or CKCL, but in the radio station with which I have been associated, it is usual to keep a record from day to day of all hours, employees in service, and what programs they carry.

Q. Mr. Henshaw, you were telling us a moment ago, or before we adjourned, of a conference you had in Ottawa along with Mr. Stapells, was it?—A. Yes.

Q. With Mr. Charlesworth and Col. Steel?—A. Yes.

Q. Was that on the occasion of your first visit to Ottawa?—A. On the first visit to Ottawa, as I recall the situation, Mr. Gibbons, and Mr. Stapells and I were here representing the J. J. Gibbons company. Our conference on that first occasion was with Mr. Charlesworth and Mr. Powell. On the second occasion Mr. Gibbons was not with us. He may have been, but I am just a little bit hazy on that.

Q. Was that your first visit to Ottawa?—A. Yes.

Q. The first time you had ever been in Ottawa?—A. No; I visited Ottawa back in 1910, when I was a lad.

Q. Had you been in Ottawa, let us say, from June 1935 to the time you are now speaking of?—A. No, I had not.

Q. And at the first conference I want to make sure what members of the Radio Commission were there?—A. At the first conference, as I recall it,—they were just about a week or possibly eight days apart—

Q. Speaking of the first one?—A. At the first one, as I recall it, Mr. Charlesworth was the only member of the Radio Commission.

Q. Present in the room?—A. At the time I do not believe the others were in the building.

Q. Did you have a talk or telephone communication at all on the occasion of the first visit we are now speaking of, with any other member of the commission or with Mr. Powell?—A. No. Mr. Powell was called in by Mr. Charlesworth.

Q. On the occasion of the first visit?—A. Yes.

Q. Did he call anyone else in?—A. I do not believe so.

Q. What about the discussion at this first conference?—A. The discussion was on the purchase of time.

Q. The purchase of time?—A. And network facilities on the basis of a tentative schedule which had been drawn up at the preceding conference that had been held in the Dominion headquarters, which called for a series of broadcasts on a national network of which there were to be seven, as I recall it—but do not trust my figures—and a series of broadcasts in the provinces, which were to be limited to provincial networks, together with a broadcast which would be heard once a week, the character of which was not determined or discussed.

Q. And at that time could there be any conclusion on the part of anyone in the commission that you were not in the employ of J. J. Gibbons Company, and worked in this instance for the Conservative party?—A. Well, I think it would be quite obvious since I was with the two high top officials of the company.

Q. Well then, on the occasion of your second conference with the members of the commission, what members of the commission were present then?—A. Mr. Charlesworth and Lieut-Col. Steel.

Q. And what was the subject matter of your conference?—A. Between the two conferences there had been a necessary revision of the schedule of which I have spoken. As I have said, in the first one it was tentative; in the second it was definite as to what was wanted and the dates on which those broadcasts were to take place; and the question was entirely a matter of obtaining the network facilities for that time, and also the request was made of the Radio Commission if it would be possible for them, since they had to set up the network, to make the necessary inquiries of these stations if they would have the time available, for which a fee was to be paid, to cover telegraph services and so on.

Q. What was the date, approximately, of this first conference?—A. It is difficult for me to say, because there is nothing that definitely plants it in my mind. I think therefore, it could be easily ascertained from Mr. Gibbons.

Q. I should like very much if you could help me to ascertain just about what period.—A. As I recall it would be—

Q. Let us speak of the first conference.—A. As I recall it would be approximately a month in advance of the first Conservative broadcast.

Q. Which was on the 7th, was it not, of September?—A. I think you are referring to the first of the Sage broadcasts. There may have been broadcasts during that same week; the records of the Radio Commission will show it.

Q. Let us see if we cannot establish it now.

Mr. CAMPBELL: Let me have the Conservative broadcast schedule; I think it is exhibit 15.

By Mr. Martin:

Q. Possibly I could assist you a little bit, Mr. Henshaw, by reminding you of the examination of Inspector Mitchell. Will that help you? That examination was dated when?—A. The 24th September, I think.

Q. Yes, the 24th September. The first conference you are speaking of was definitely before that?—A. Oh, surely; I imagine both of them were. Necessarily it would be before that, because I believe that the first Conservative broadcast was early in September, was it not? You have the schedule.

Mr. CAMPBELL: The first sheet shows here that Mr. Bennett spoke on the 6th of September. That was the first broadcast.

WITNESS: That would place it at approximately a month, I would say.

By Mr. Martin:

Q. Well, about that time?—A. Giving a week's leeway there.

Q. At the second conference, was Colonel Chauveau there?—A. I will have to beg your indulgence, I do not know who the gentleman is.

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Q. After those conferences did you have any written communications with any member of the commission?—A. I did not, sir.

Q. Did you have any telephone conversations?—A. I did not, sir. I believe there was necessarily a communication between Mr. Stapells and Mr. Powell, as Mr. Powell reported back on availability or lack of availability of time on particular stations which had been taken.

Q. Was there any discussion at these two conferences between you and your company and members of the commission or employees of the commission in Ottawa with regard to the sponsorship of the programs?—A. I do not believe it was mentioned.

Q. Did you have a conversation over the telephone from Toronto with one member of the commission with regard to (a) the sponsorship of the Sage programs and (b) the inclusion in the cast of certain employees of the commission?—A. You are referring to me personally or to the company?

Q. To you?—A. No, I did not have such a conversation.

Mr. MARTIN: Mr. Chairman; have we copies of the letters that the commission gave to Mr. Henshaw to facilitate his re-entry into Canada from time to time? I asked for them.

The CLERK: They did not have any.

WITNESS: It was not a case of the commission at Ottawa, it was a case of a letter being written by the regional director.

By Mr. Martin:

Q. You told us that Edgar Stone is the owner of Radio Hall in Toronto?—A. Yes, sir.

Q. What is Radio Hall?—A. It is attached to one of the buildings of the Toronto Conservatory, as I recall the location, on Spadina Road where one or two studios with radio equipment are maintained together with offices and rehearsal rooms and line facilities going to each of the three broadcasting stations in Toronto, making it possible for Mr. Stone to originate a program in his own studios adjacent to his office and relay it either to a network or to the station.

Q. Is it not a fact he refused to accept the Sage programs?—A. I have never heard of it, sir. I have never heard of their being offered to him.

Q. You did not offer them to him?—A. I had nothing to do with offering the programs to anyone.

Q. Do you know whether your company offered them?—A. I do not believe so; at least, if they did I never heard of it.

Q. Do you know if the programs were offered to anyone else?—A. I scarcely think so.

Q. Do you know if they were offered to any actor who refused to take part in them?—A. To the best of my recollection, no. I might give you just a bit of explanation to help with this point. Mr. Wright, who wrote and rehearsed these scripts, when in the preparation of the scripts he had determined what characters he wanted, would communicate with me either by telephone or if I happened to be in the Gibbons office he would see me in person and say, "I need a character of such and such a type, the rehearsal is going to be at such and such a time, will you get the characters?" And of those I called none ever refused to act.

Q. When you learned that the Immigration Department were going to allow you to stay in the country, you had a communication I believe by telephone—and you will correct me if I am wrong—and later a sort of private conversation with a prominent member of the Conservative organization, did you not?—A. Let us get that straight. When I had been notified that I was landed in Canada, is that the point?

Q. That is the point, you at once communicated by telephone, and there was later a private conversation telling of the news and the joy that you naturally felt?—A. Oh, I discussed it with any number of people.

Q. Yes, but with one particular person who was connected with the Conservative organization?—A. To whom do you refer?

Q. I am asking you if you did that?—A. There are so many Conservatives and so many of them are prominent.

Mr. McINTOSH: There was a large number at one time.

By Mr. Martin:

Q. Did you communicate or discuss the matter at all with Mr. Lawson?—

A. I may have at a later date, but I am confident I did not at that moment.

Q. Did Mr. Lawson not tell you, as a matter of fact, before you actually heard, that everything would be all right?—A. No, sir.

Q. He did not?—A. No, sir. The first intimation I had of it, Mr. Martin, was when I received a letter signed by Inspector Mitchell saying to call at his office and bring that letter with me. I think I have the letter here if you wish it.

Q. That is the letter from the department?—A. Yes, sir.

Q. That is on file. We have a copy of that.—A. It is dated October 11th.

The CHAIRMAN: Are you through, Mr. Martin?

Mr. MARTIN: For the time being, yes, Mr. Chairman.

The CHAIRMAN: Are there any other questions?

By Mr. Campbell:

Q. Mr. Henshaw, if everyone is through with the political part, while you are here probably you could help us, on account of your experience, with some matters affecting the programs and business set-up of the commission, and I would like to ask you a few questions in that regard. I have before me a schedule of the programs of the Canadian Radio Commission across Canada for the first week in February of this year. Before we go into that, can you explain your connection with the commission again very briefly?—A. I am an author of radio programs particularly those employing dramatics, and a producer of programs either musical, variety or dramatic, particularly the dramatic.

Q. And has all your work been done through the commission?—A. You mean here in Canada?

Q. Yes, since you left the Centennial?—A. No, not necessarily.

Q. It has been connected with other private stations?—A. When you say connected—

Q. I mean, drawing money from them or doing business with them?—A. I have done several programs for the J. J. Gibbons Company.

Q. What is that?—A. I have done several programs and built several programs for their clients.

Q. Give us an idea of the stations and the number of programs?—A. That is a difficult question.

Mr. MASSEY: Mr. Chairman, may I suggest that an advertising agency solicits accounts oftentimes by preparing a brief for the prospective client, and in that brief will be a program laid out as a possible program. That brief is the property of the company, and I think it is unfair to ask an employee to disclose the contents of such a brief.

Mr. CAMPBELL: I am not trying to disclose any private business.

Q. I merely wanted to find out, Mr. Henshaw, what your connection with radio has been not only with the commission, but in Canada in general during the last eighteen months. This morning you told me you had received a little over six thousand dollars from the commission during that time?—A. You told me.

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Q. Well, it is the same thing.

Mr. MARTIN: You got the benefit of it.

By Mr. Campbell:

Q. I take it from the cheques that during that entire period you were pretty steadily employed by the commission. I am just asking you did you have other employment?—A. Not to a great extent because on the work which I did. If I could use a specific instance, the work which I have done all this winter and which I worked on last summer in preparation was a one hour dramatic program heard on Sunday called "Forgotten Footsteps." It is a program that is based on the historical and archeological objects in the Royal Ontario Museum and requires a tremendous amount of research work before the fanciful story can be built around the object and put into dramatic form. There is only so much work that a human being can do and still be fair to himself or anyone for whom he is doing the work. So, during the time I have been carrying on a fairly heavy schedule with the Radio Commission, I have had comparatively little time for outside activity, though it has been offered to me quite frequently.

Q. You were doing "Forgotten Footsteps." Here is another program from Toronto, "Magnificent Obsession," have you anything to do with that?—A. That was a single one hour program, and it is a dramatization of the motion picture.

Q. Did you have anything to do with that?—A. I assisted in the preparation of that program.

Q. You received some money for it?—A. I suppose so.

Q. Then "Melodic Strings"?—A. Melodic Strings, I had nothing to do with that program.

Q. The "Road to Yesterday"?—A. I had written the continuity for that.

Q. And drew some money for that?—A. You have quoted the figures.

Q. Well, we have not them here. This is just for one week. I am just asking about the programs.—A. I would like to have you, in fairness to everyone, appreciate the difference between writing a one hour dramatic program, or half an hour, of which you are the author and producer perhaps, and the writing of a continuity for a musical program where you have perhaps all told fifty words which constitute the necessary introduction.

By Mr. McIntosh:

Q. Would you explain what you mean by continuity?—A. It is the written word in connection with a broadcast; in other words, that which is used by the announcer or a dramatic cast if such is to be used.

By Mr. Campbell:

Q. Then the "Up to the Minute" program?—A. That was my program.

Q. In this connection I see by some correspondence from the Auditor General's Department that you received \$60 per week, or \$60 per program?—A. That was arranged in this fashion. I wrote the continuity, which I have explained, for the musical programs through the week with the exception of "Melodic Strings," and wrote and produced "Up to the Minute" and "Forgotten Footsteps" through the winter season to cover this work which was done on musical programs but comparatively little continuity was necessary to introduce the number. The charge was to be against one program, as I understand it. Now, I am not acquainted with the book-keeping methods of the Radio Commission, but I understand that was the method which was used to compensate for the additional activity on the musical programs.

Q. You would only get paid for one program a week, is that the way?—A. No, there would be the two major programs, "Forgotten Footsteps" and "Up to the Minute." How they charged that, I do not know. You will have to ask the commission to tell you.

Q. I see here that Mrs. Little in connection with the "Up to the Minute" program drew some money. What connection did she have?—A. What was the name?

Q. Mrs. Mary C. Little or Mrs. H. M. Little?—A. If I am wrong I hope Mr. Charlesworth or Colonel Steel who are at the back there will correct me. I believe she was the lady who originated the idea for the program when it was first put on the air.

Q. Is that customary that the originator gets so much, and you are employed to write it at so much more?—A. I cannot tell you about that? I know this; that if you were to create an idea for a program that was new or different on the air and someone somewhere else wanted to use it, I would certainly hope to collect something out of it.

Q. You are not paid so much for the series, just so much for the program?—A. Not necessarily, it varies; a flat fee for the idea, or, if you are lucky enough to get a royalty, fine. It all depends on your personal ability to obtain those things.

Q. What about "Men of Melody"?—A. That is a double quartet or an octet of men singing some four numbers in a fifteen minute program for which the necessary announcements were written.

Q. The next is "Let's Go to the Music Hall"?—A. No, that is written and produced by another person.

Q. I take it from what you have told us that your time has been pretty well taken up by the Commission?—A. It has taken a fair share of it, but not all of it by any means. I have still found time to write stories and articles for magazines.

Q. When did your connection with Mr. Gibbons start?—A. It began a year ago last summer.

Q. Have you done any work for Mr. Gibbons other than the dramatization of political broadcasts?—A. Yes, sir, my activity in Mr. Gibbons' organization resulted in the creation of a full-time radio department with a full-time manager of the radio department. I still am called and considered the radio counsel. I have no retaining fee but am paid for services rendered.

Q. You are still working there?—A. When he needs my services, I give him them.

Q. Your first connection with him came about the same time that you started doing this dramatic work for the Sage programs?—A. Somewhat preceding that.

Q. Did you know anything about those when you made the bargain with Mr. Gibbons?—A. Mr. Gibbons told me at the time he asked me to act as radio counsel for his agency that they anticipated having the Conservative account as they had had before, and he also said that in his Vancouver office he expected to have the Liberal account for British Columbia.

Q. He is working it pretty well. He expected that?—A. I understood that they had it.

Q. As I understand it you have been very close to Mr. Gibbons on the political work and handled it almost entirely for him?—A. No, I did not. Mr. Stapells was the active head of that branch of the work.

Q. But when Mr. Gibbons came after you did he tell you that he was expecting to have some dramatic skits to put on?—A. No, sir, he made no statements at all about the types of programs they were to be. I supposed at the time that they were to be the usual political harangue.

Q. You mean the skits or the speeches?—A. I supposed it would be the usual political speeches.

Q. And after you did become connected with him, you took an active part in his political work as agent for the Conservative party?—A. Yes; he gave

[Mr. Don Henshaw.]

me instructions to build on paper what would be a network of stations for the complete coverage of the Dominion of Canada in the form of a national network without the expenditure of too great an amount of money; also to set up in each province on paper a suggested provincial network of stations for provincial broadcasts.

Q. That started about the 1st August?—A. Possibly a little before that; I would not be certain of the date.

Q. How much time did that take?—A. At that time it took a considerable amount of time, because the study of coverages, station rates, wave lengths and all those things of a more or less technical character require considerable concentration and activity.

Q. You say it took a lot of time at that time. When did it start to recede, or has it receded?—A. Do you mean at J. J. Gibbons.

Q. Yes?—A. I am called in when needed.

Q. But you say you have been very busy or were very busy around August 1, with Mr. Gibbons and that now you are not so busy. About what time did your work start to recede or grow less?—A. After the political campaign was over I began work on a prospective program for a Canadian concern which happens to be a client of the J. J. Gibbons Company in their other phases of advertising. That was a program which was based somewhat on some of the ideas I have used in dramatic productions and required, to build it up, a fair percentage of time. To give you the hours or days would be a difficult thing. It requires concentrated activity throughout.

By Mr. Campbell:

Q. Through the election campaign?—A. No. I think this was one that began afterwards. You are trying to ascertain when it slackened off?

Q. Yes.—A. Along about February probably, and then was renewed in its activity again about the 15th of March.

Q. During that same time you were practically as busy with the Commission as you were previously, I take it,—from the cheques you had received, starting in July, \$60, \$85, \$60, and so on, all the way down—until after the election campaign?—A. The most active work for the Commission during this past season was between the first week in November and the second week in January, or thereabouts. Because the new winter and spring program schedule went into effect in the latter part of October after the election was over. The Radio Commission, I believe, delayed their usual fall opening of the winter program because of the lateness of the election, and because the air was so thoroughly filled with election work that it would have been folly to attempt to put a new presentation on the air.

Q. At any rate, you were engaged by the Commission during that period in almost the same way as you were at any time?—A. You mean during the election period?

Q. Yes.—A. Not as actively as later on, or as in the preceding winter.

Q. I see you were receiving \$60, \$60, \$65, \$70 in the preceding winter; and I see in August, \$60, \$60, \$60, \$75 in September; \$90, \$60, and \$75 in October and \$90 early in October?—A. Perhaps I did not collect all that I should have.

Q. Well, those are the cheques that are there. What I was trying to establish was— —A. Unless a person had an understanding of the building of radio programs, I do not think he could fully appreciate what is involved in building one, Mr. Campbell.

Q. Quite so.—A. As I have tried to intimate to you, a dramatic program written and produced by one person is a healthy sort of activity. It takes time. On the other hand, the writing of a continuity for musical broadcasts is not. It is somewhat the same as grinding out a routine story for a newspaper. The writing of the dramatic programs does not necessarily occur simultaneously

with their production. In other words, I wrote some of last winter's "Forgotten Footsteps" last summer—in other words, some four or five months in advance. Being turned out in advance, it makes it possible for a better selection of casts, better selection of music and staff arrangements, and that sort of thing.

Q. Then if you write them previously in order to facilitate the people rehearsing them and becoming familiar with them—no doubt that is the reason—do you watch each broadcast? I mean, are you there at each production?—A. Not necessarily, no. Mr. Lucas, whom you met the other day, has done a great deal of the production work this past season; and at the opening of the fall and winter season last autumn, he handled it for something like three weeks while I was on my honeymoon.

Q. Were you taken away during your political work with J. J. Gibbons regarding the political broadcasts? I mean, did you watch them as carefully then?—A. I was doing, on my own writing, the one program a week during that political campaign. That was the Up-to-the-Minute program. I put just as much time on it as I ever did.

Q. In your political work, you went outside of Toronto to arrange for the broadcasts of other speeches, did you, for Mr. Gibbons?—A. No. The work that I did, with the exception of two visits here, was done entirely in their offices at a desk, or on the occasion of a broadcast, up to the studio. I did attend one other broadcast and participate in it, which you have not asked me about.

Q. What one is that?—A. Perhaps you have not heard about it. That was the final speech of Mr. Bennett at the conclusion of the campaign. Mr. Gibbons asked me to go down to Belleville.

Q. That is at Belleville?—A. That is the only one where I went outside of Toronto.

Q. That is the only one where you went outside of Toronto?—A. Yes. And the only reason I was sent down there was to check up, to make sure that the line facilities were all right and to announce it on the air. But my announcement never got on the air, for some reason. I do not know why. That was my only connection with that.

Q. I take it you came to Canada to train artists for the broadcasting company? Do I take that from the evidence you have given?—A. Not entirely. That was not the sole purpose; no, sir.

Q. Have you been successful in training any to carry on your work?—A. Yes, I have.

Q. You have some assistants, have you?—A. Oh, I have no assistants; no, sir. But there are others who have developed splendidly along the same lines.

Q. Could you name some of them?—A. I do not think there is any objection to doing that.

Q. No?—A. One of them is Mr. Peter Aylen, who is now manager of the commission station, I believe, at Windsor. He was attached to the Toronto studios for quite some length of time, and spent a good deal of his time, outside of announcing, in my company in the production of programs.

Q. Have you any other connection than the J. J. Gibbons Company and the Commission now?—A. At the present time?

Q. Yes.—A. No, sir.

Q. You have church work, I take it, because I listen to you once in a while?—A. Well, that is not, sir, a source of revenue. What I can do for the church I am happy to do.

Q. You and Mr. Massey just co-operate?—A. It is not limited to my association with Mr. Massey. I have spoken in probably twelve or fifteen churches in Toronto and the vicinity, in addition to the luncheon clubs, societies, associations, and so on.

[Mr. Don Henshaw.]

Q. That is all done just for the churches themselves, I imagine?—A. You probably do public speaking yourself; and you know if you ever make one speech, the Rotary, the Kiwanis, the Lions, and all the rest of them are after you.

Q. They never ask me back.—A. It is an endless thing.

By Mr. Martin:

Q. Mr. Lucas left, or ceased to be Mr. Sage after the second broadcast, and somebody else became Mr. Sage for the third one?—A. That is right.

Q. Then it was changed from the third to the fourth, was it?—A. That is right.

Q. And changed from the fourth to the fifth?—A. No.

Q. From the fourth to the sixth?—A. No.

Q. Mr. Glaser was Mr. Sage?—A. Mr. Lucas was for number one and two.

Q. Yes?—A. Mr. Maurice Boddington, number three.

Q. Yes?—A. Mr. Glaser the remaining three.

Q. Why did Mr. Boddington quit?—A. I did not talk with him personally. But if you care to hear a conversation that was passed on to me, I will be glad to give it to you.

Q. That is what I want.

Hon. Mr. CAHAN: That is objected to.

Mr. MARTIN: That is why I asked for it.

Hon. Mr. CAHAN: Let us get something direct.

Mr. MARTIN: I am inquisitive enough, Mr. Chairman, to want to know what was said.

The CHAIRMAN: I do not see any harm in it.

WITNESS: Am I directed to, Mr. Beaubien?

The CHAIRMAN: Yes.

WITNESS: Mr. Stapells told me one or two days later, that is after Mr. Boddington's broadcast, that Mr. Boddington had called him up—at what time he called him up I do not know—and said that he had received a deluge of telephone calls telling him that he must not do that again or he would lose his connection with some of the programs which were paying him commercially over his own station; and likewise that one person had threatened his life.

By Mr. Martin:

Q. The broadcast was that bad?—A. Do you want my opinion about the broadcast?

Q. I do not. I think we know your opinion?—A. I do not think you do.

Q. I would not want you to say more than what has already been said about it, unless you care to. Now, Mr. Henshaw, I think it was Mr. Lucas who told us that Mr. Bennett was present at either rehearsal or the second broadcast, that you saw him in the control room, that there were a number of people in the control room, and among those there, I think, was Mr. Stapells, Mr. Wright, and yourself. Do you remember that?—A. Yes.

Q. And you had a conversation with Mr. Bennett?—A. No. I did not, sir.

Q. You did not? You did not talk to him at all?—A. I did not, sir. There may have been a casual introduction when he came in; I do not recall.

Q. Of course, you had met him before?—A. I had not met him before—no, sir. I had not seen him before, in fact. He came in for his own broadcast, which was to be a one-hour broadcast from that same studio in which Mr. Sage was to be enacted later. He came in some five or six minutes, probably, before time to go on the air and came into the control room and stayed there, because the studio in which he was to work was then being used for his rehearsal. He

was going through his manuscript for his address; and the extent to which he listened to it, I do not know. You would have to ask him.

Q. You have not his ears. That is all, thank you.

By Mr. Campbell:

Q. Mr. Henshaw, you were speaking a few minutes previously to the effect that while you did first work on several programs during the week, you probably were only paid for one. Is that the custom with all radio work, or how does it just happen that it is carried out that way?—A. I do not suppose there is any industry, Mr. Campbell, that has quite the peculiar situation that radio has, in that those of us who have lived radio, mostly, since its beginning have learned to do several jobs in it, and of necessity, have to do several jobs in radio. The economic way in which to operate a radio station is to be able to double up rather than to pin a person down to one specific thing.

Q. You do not make a set bargain with the commission on each of your programs that you do, or work you do for them?—A. Yes. At the beginning of each of the seasons, so far, I have had a discussion either with Mr. Bushnell or Mr. Maxted about what the compensation would be for programs; and a price would be set on one program, and that price to include the writing of the continuity for the musical shows; and each additional program that might be assigned to me, an additional sum, do you see? For instance, there have been, several times, contingencies arise that called for special broadcasts. You will recall the death of Will Rogers and Wiley Post, when the Radio Commission put on a memorial program which was carried on the American network as well as the Canadian network. I was asked to write and produce that program, which I did. And the contingency to which I refer in our agreement is that when a program, an extra program that requires writing and production, comes along, it will be paid for by a specified sum of money. But the initial program, the primary program, includes in its price the writing of the continuity for the musical programs during the week.

Q. Your connection, I take it, has been with the commission a great deal more than it has been with the private stations. Is that because of the fact that you have been able to receive more money from the commission?—A. No. It is not that. I rather suspect it is because that is where I began my activity.

Q. It was your first connection. Who arranged for that connection? You said that Mr. Maxted approached you?—A. That is right.

Q. That was the only one?—A. And it was later confirmed in a conference with Mr. Bushnell.

Q. But you would not say that the commission pay more for the programs and are better to work for than the private stations?—A. They do not pay as much as commercial programs do.

Q. They do not pay as much?—A. No. The commercial fee is always more. The only exceptions are the orchestra men who have a union price. An artist, a writer, or a producer invariably draws more in the form of a fee in commercial broadcasts than he does in one of the Canadian Radio Commission.

Q. You mean to say you could receive more money from private stations for the work you have done for the commission? Am I correct in saying that?—A. If there was as much work at the private stations as there is on the Radio Commission, yes.

By Mr. Ryan:

Q. You say that Mr. Wright wrote the script for the Sage programs?—A. Wrote and rehearsed it.

Q. Did Mr. Wright tell you that personally?—A. Yes.

Q. That is how you came to know that he is the author?—A. I have heard him mention the fact not once, but a number of times.

[Mr. Don Henshaw.]

Q. He having written the script, would he not be a better person to select the cast?—A. I am sorry, I did not catch that.

Q. I say, he having written the script, would he not have been a better person to select the cast?—A. Mr. Wright, I do not believe, was acquainted with the actors, the radio actors in the Toronto area.

Q. That is not entirely an answer to my question. Ordinarily he would have been a better person to select the cast?—A. Had he been well acquainted with the talent of the radio actors in the Toronto area, yes.

Q. He would have to be familiar with the talent who were to come into the picture?—A. That is right.

Q. And you are the one who is familiar with that talent?—A. That is right.

Q. To come in that picture?—A. Yes.

Q. Therefore you must have seen the script?—A. No, not necessarily.

Q. Just pardon me a moment. You say "not necessarily," Did you see the script?—A. I did on a number of occasions; yes, sir.

Q. Before you called for the characters?—A. No. The times when I saw the script—

Q. Just answer the question.—A. Yes.

Q. Do you suggest that Mr. Wright simply called you on the telephone and said, "I want a character to play the part of Mr. Sage."—A. No. The principal character in the program was arranged for by Mr. Stapells and Mr. Gibbons.

Q. How did you know?—A. Once or twice I was taken into consultation.

Q. Where did those consultations take place?—A. At the government offices.

Q. Was the script there at that time?—A. At the time that Rupert Lucas was asked to play the part of Mr. Sage, yes; the first script.

Q. Is that the first?—A. Subsequently I saw the script only at the studio when dress rehearsal was begun.

Q. What I want to be clear about, Mr. Henshaw, is this: I want to know whether you selected any characters without first having seen the script?—A. Yes; indeed. Generally.

Q. Generally?—A. Yes.

Q. You had no idea just what the lines of the part were at all?—A. That is not always necessary, sir.

Q. Well, it is essential, is it not?—A. Not necessarily so. For instance, in one of the scripts Mr. Wright called me up and said, "I am writing in a young man who has slightly radical tendencies. I would like a character who can play that sort of role." I supplied it.

Q. You did not ask for the script?—A. The script was not available. He was then in the process of writing it.

Q. I see. Did you get the character?—A. Yes.

Q. Who did you get?—A. John Holden played that part.

Q. Did he consult with you in the matter of the script at any time?—A. No, sir.

Q. Is Mr. Wright a well known playwright?—A. I do not think so. He is head of the research department of the J. J. Gibbons Company. I had never met him before this thing began. He seems to be a man who is somewhat of an authority on digging up matters of research, and ideas, and so on. I heard him say one thing, in the course of a rehearsal, that he had written plays and produced them in England. I know nothing of his reputation in that regard in Canada, beyond what he did with Mr. Sage.

Q. At all events, he did not collaborate with you in connection with this script?—A. No.

Q. You say you met one time with one of the employees of the Gibbons Company, and Mr. Lucas was there as well as Mr. Wright; and you had the script there?—A. Oh, yes. I have said that. Let us not confuse the thing. I

have said that the script usually, when I saw it, was at the studio ready for dress rehearsal, or it had been preceded by a rehearsal which Mr. Wright presided over, a dramatic rehearsal.

Q. Have you got the characters?—A. Yes; I would call the characters as he wished them, the types, and they would go to the Gibbons office, or Mr. Gibbon's home, where the rehearsing, the reading through and the rehearsing was done.

Q. You told me that you selected those characters without reference to the script at all?—A. I said that in so far as the first one was concerned there were comparatively few people used in those six broadcasts, and a number of them repeated, were used several times.

Q. Was there any discussion between you and Mr. Wright with regard to the fact that subsequent broadcasts would be along the same line?—A. He would indicate the type of people that he was going to have play his parts. He did not discuss it with me because it would have availed him nothing, as I knew nothing of Canadian politics.

Q. I am not asking you that now. I simply asked you if you discussed the subject matter of the script?—A. He did not discuss the subject matter of the script. As I said, we discussed the type of character needed, a Scotchman, a young radical. I recall distinctly his asking one time for a woman who would have the same type of voice and presentation as the Lizzie character on the old Seth Parker program, and I found exactly the one.

Q. You knew it was to be a political broadcast, at all events?—A. Surely.

Q. For the Conservative party?—A. Surely, it was for the Conservative party.

Q. You told me that you were not in any way interested in what the subject matter was. Is that a fact?—A. No; I was interested in the employment.

By Mr. McIntosh:

Q. What part or parts of the script did you say you saw, Mr. Henshaw?—A. Which script? I said I had seen the first script in its entirety before it went on the air.

Q. The first broadcast?—A. The first broadcast.

Q. Yes. Now, you say you did not see the other parts?—A. I said as a general rule I did not see them until I had arrived at the studio to take care of my part of the work in handling the several studios during the dress rehearsal and the broadcast.

Q. You did not see the remaining part of the program in the form of script until you had the characters take the part you had selected?—A. As a usual thing yes, but recall again that many of these people were used on several broadcasts.

Q. Well after you saw the first part would you not say that that was the key?—A. The first script?

Q. Yes; would you say that was the key to the whole six broadcasts?—A. It was certainly the key to the type of broadcast, yes.

Q. By reading that first part you would know fairly well the political complexion of make-up or trend of the whole six broadcasts?—A. Yes.

Q. That was the reason you did not need to see the other five?—A. No; because the subsequent programs had different types of people on them. Some of them repeated. For instance, on the first broadcast there was a Scotsman. I do not believe he appeared again until the final broadcast in the series. But there were two or three in the interval where the same people were used on succeeding broadcasts and so it was not difficult to obtain those characters; they were merely a repeat.

Mr. MASSEY: May I state that the procedure of the one who writes the script and prepared the script, asking someone else to obtain the actor, is [Mr. Don Henshaw.]

common practice. The agent prepares the program for a client, and he will call the radio station, say to-night or to-morrow night, whatever it is, and whenever the program is going on the air, and say, "We will require certain characters; will you kindly obtain those characters for us?" Now radio stations surely have no idea what the script is. They know, as Mr. Henshaw says, they want a Scotsman or they want a young radical, whatever it might be. That procedure is observed every day in radio production. It is done in the same way as they do it in motion pictures.

Mr. RYAN: Now, Mr. Massey has answered the question, although we do not agree with him. Yet he is not giving evidence.

Mr. MASSEY: I have been in the business for many years.

Mr. RYAN: We have all had some experience along that line, as well as Mr. Massey.

By Mr. Martin:

Q. There is just one more question I should like to ask Mr. Henshaw. Do you remember after one broadcast, or perhaps it was after one rehearsal—we are talking now of the Sage broadcast—when Mr. Maxted was present, and someone said, "Well, this is pretty hot stuff; we will get into trouble about this." Then someone said, "How are you going to vote"? and the reply was, "Well, there is only one way to vote now." Do you remember that conversation?—A. I cannot say that I do, sir.

Q. Will you deny that it took place?—A. I would not deny it, because in the course of an evening's activity around the studio, or concentrated activity over a period of many weeks, you will hear many things and it is pretty hard to orient them to-day. To do so would take a greater brain than I have.

Q. You have a pretty good one. That is all.

The CHAIRMAN: Are there any further questions?

By Mr. Campbell:

Q. I have one. I take it from your connection with the Radio Commission, that had it not been for the work you have received from them, you would not have stayed in Canada, it would not have been profitable for you?—A. Yes, I would have stayed.

Q. You had a chance to sell your programs and your work in other places, is that true?—A. It was not that entirely, sir. I have an income from my father's estate, and that has been spent in Canada since I have been here.

Q. I do not want to go into that.

The CHAIRMAN: That is personal.

By Mr. Campbell:

Q. I do not want to pry into that.—A. In direct answer to your question, sir, I would have remained in Canada anyhow.

Q. But your work in connection with the Radio Commission was naturally a very—A. It was an extremely enjoyable thing, yes sir.

Q. That would help to keep you here, no doubt?—A. The money has been spent here, yes, sir.

Q. That is one of the reasons you have stayed?—A. I would not say the main one. You read in the evidence before from the immigration department why I stayed. I met and married a Toronto girl.

Q. I must congratulate on your choice.—A. Thank you.

Mr. McINTOSH: I was going to ask you how it turned out.

The CHAIRMAN: Have you any further questions? I might inform the committee that Mr. Henshaw has to get back to Toronto to-night, so if you

are through with him, we shall discharge him. Do you wish to ask any questions Mr. Massey, or you, Mr. Cahan? Mr. Henshaw, I think the committee is through with you, and you are discharged.

Witness discharged.

The CHAIRMAN: Is it the wish of the committee that we call any more witnesses this afternoon?

Hon. Mr. CAHAN: I think it was understood that we were to adjourn earlier. There are important matters going on in the house, and some of us must attend.

The CHAIRMAN: To-morrow morning your party have a caucus, I think?

Hon. Mr. CAHAN: I do not know of it.

The CHAIRMAN: Therefore it will be impossible to meet to-morrow morning.

Mr. MARTIN: We might adjourn the committee to the caucus, as they are both held in the same room.

The CHAIRMAN: We cannot have this room in the morning. Shall we try to meet to-morrow afternoon or shall we wait until Thursday?

Mr. CAMPBELL: We had better meet to-morrow, as we have a lot of work to do.

The CHAIRMAN: Then suppose we meet to-morrow at 4 o'clock. I will tell you the reason for that. Some of the members of the committee wish to have Mr. Powell on the stand. We have made arrangements, as Mr. Cahan is aware of, to have certain people here on Thursday. I think we ought to try to get through with Mr. Powell.

Mr. MASSEY: I think 11.30 would be all right, although I am not sure.

Mr. MARTIN: Mr. Charlesworth will be available as well.

The CHAIRMAN: Mr. Charlesworth, you will be here to-morrow afternoon at 4 o'clock, along with Mr. Powell?

Mr. CHARLESWORTH: Yes.

The CHAIRMAN: Then we shall meet to-morrow afternoon at 4 o'clock.

The committee adjourned at 5.15 p.m. to meet again at 4 o'clock Wednesday, April 29.

APPENDIX NO. 2

(Copy)

P.C. 11/2868

CERTIFIED to be a true copy of a Minute of a Meeting of the Treasury Board, approved by His Excellency the Governor General in Council, on the 16th September, 1935.

CANADIAN RADIO BROADCASTING COMMISSION

The Board, under the provisions of Section 4, of the amended Radio Broadcasting Act, recommend the following appointments on the staff of the Canadian Radio Broadcasting Commission, effective from September 1, 1935:—

Position	Incumbent	Salary rate
Station Manager and Regional Program Director, Ontario.. . . .	Stanley Maxted.. . . .	\$4,750 00
Supervisor of Studios.. . . .	R. Lucas.. . . .	3,500 00
Music Librarian.. . . .	E. Meisner.. . . .	1,080 00
Telephone Operator, Broadcasting Service.. . . .	W. G. Milne.. . . .	1,380 00
Telephone Operator, Broadcasting Service.. . . .	D. I. King.. . . .	720 00
Telephone Operator, Broadcasting Service.. . . .	B. E. Deacon.. . . .	900 00
Traffic Clerk.. . . .	T. W. Baker.. . . .	1,500 00
Radio Engineer, Class 1.. . . .	H. M. Smith.. . . .	3,420 00
Acoustical Engineer.. . . .	D. G. McKinstry.. . . .	2,280 00
Broadcast Operator.. . . .	F. J. Garrod.. . . .	1,800 00
Broadcast Operator.. . . .	J. N. Mogridge.. . . .	1,800 00
Assistant Broadcast Operator.. . . .	J. A. Spalding.. . . .	1,800 00
Assistant Broadcast Operator.. . . .	C. W. Speer.. . . .	1,800 00
Assistant Broadcast Operator.. . . .	M. Gilbert.. . . .	1,500 00
Assistant Broadcast Operator.. . . .	M. J. Werry.. . . .	1,320 00
Janitor.. . . .	E. W. Burke.. . . .	1,140 00

These appointments are recommended on condition that the above rates are on a temporary basis, only, and are subject to confirmation, or amendment, by the Governor in Council at a later date, and the further condition that the approval herein recommended expires March 31, 1936.

(Signed) E. J. LEMAIRE,
Clerk of the Privy Council.

The Honourable,
The Minister of Marine.

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SESSION 1936
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO
COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

WEDNESDAY, APRIL 29, 1936

WITNESS:

Mr. Walter E. Powell, Station Manager, Headquarters, Canadian Radio
Commission, Ottawa.

OTTAWA
J. O. PATENAUDE, I.S.O.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1936

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS,
ROOM 375,

WEDNESDAY, April 29, 1936.

The Special Committee on Radio met at 4 o'clock p.m., the Chairman, Mr. Beaubien, presiding.

The following members of the Committee were present:—

Messieurs: Beaubien, Bouchard, Cahan, Campbell, Dupuis, Edwards, Hanson, Howard, Johnston (Bow River), MacKenzie (Neepawa), McIntosh, Martin, Massey, Ryan, and Woodsworth—15.

In attendance as a witness: Mr. Walter E. Powell, Station Manager, Headquarters, Canadian Radio Commission, Ottawa.

Present (for call if required): Chairman, Commissioner, and other officials of the Canadian Radio Commission.

Officials of the Radio Branch, Department of Marine, Ottawa.

The Chairman read a letter received from The Canadian Red Cross Society, Toronto, citing a resolution passed by the society commending the Commission for its helpful co-operation during the society's publicity in May, 1935. (See evidence this day for full text.)

Mr. McIntosh filed a letter and brief received from Mr. J. C. Penson, Saskatoon, offering a number of suggestions for the betterment of broadcasting throughout Canada. (Filed with Chairman for consideration by Committee.)

Mr. WALTER E. POWELL, called and sworn.

Witness examined by Mr. Campbell, Mr. Martin and other members of the Committee.

Witness filed with Committee an estimated resumé of national and regional political network broadcasting costs for the calendar year 1935—personal, not official. (Marked Exhibit No. 26.)

Mr. Martin asked witness to prepare brief respecting the business management of the Radio Commission generally, and such suggestions as he would care to make, which, in his opinion, would further its improvement.

The witness retired.

Lt.-Col. Landry, Secretary of the Commission, for Mr. Charlesworth, filed temporarily with the Committee, the Minutes of the Radio Commission since its inception, for the information of the Committee only. (Placed in custody of Clerk of the Committee.)

The Chairman announced that he had received word from Mr. Dunlop of the Musicians' Federation of Montreal, that it would be impossible for him to be present on Thursday, April 30. However, Mr. Coffey of the Young Men's Canadian Club, Montreal, was expected to be present, and the Committee would ask Mr. Charlesworth to be present for questioning if necessary.

Mr. Alan Plaunt, Journalist, Toronto, representing the Canadian Radio League, also expected to be present to-morrow, to submit a brief representing the views of that organization.

The Committee adjourned to meet again to-morrow, Thursday, April 30, at 11 a.m., Room 375.

E. L. MORRIS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

Room 375,

OTTAWA, April 29, 1936.

The special committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 4 p.m. The Chairman Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will kindly come to order, we shall begin. I received a letter from the Canadian Red Cross Society this morning. I think it is of sufficient importance to be read to the committee. It is addressed to me and reads as follows:—

Dear Sir:

The Executive Committee of the Canadian Red Cross Society has asked me to forward you a copy of a resolution that was adopted at the recent meeting of the Central Council of the society.

The Committee's reason for doing so is that it assumes that your Parliamentary Committee wishes to obtain the opinions of all those who have used the facilities of the Canadian Radio Broadcasting Commission. The experience of the Red Cross with the Radio Commission for several years has been a very happy one, and the resolution recently adopted is as follows:—

The Central Council of the Canadian Red Cross Society desires to record its very grateful thanks to the Canadian Radio Broadcasting Commission for its efficient and helpful co-operation and service in connection with the Society's publicity in May of 1935.

It is signed by J. L. Biggar, National Commissioner.

Now, gentlemen, what is your wish? I think, Mr. Martin, you intimated that you wanted Mr. Powell?

Mr. MARTIN: Mr. Campbell wanted him.

Mr. McINTOSH: Before starting with that, may I file something? I have a brief submitted by J. C. Penson of 604 McPherson Avenue, Saskatoon, Saskatchewan. It is a brief prepared in connection with the radio situation in Canada. There is one sentence in the accompanying letter which I should like to read, as follows:—

Especially am I emphatic in my belief that the centralization of broadcasting as outlined in the memorandum is necessary and vital.

The CHAIRMAN: That brief will be filed. Is Mr. Powell here? If so, will he come forward?

WALTER E. POWELL called and sworn.

By the Chairman:

Q. What is your occupation? What is your title?—A. My title, as far as I know, is station manager.

Mr. CAMPBELL: Where?

The CHAIRMAN: Here. He is with the commission.

By Mr. Campbell:

Q. Mr. Powell, you are listed as station manager. As you have just said, that is your official title?—A. Yes.

Q. You were appointed on April 1st, 1933?—A. That is correct.

Q. Had you any previous connection in radio or with the commission?—A. Yes. Prior to going with the commission, I was with the Canadian National Railways.

Q. You were with the Canadian National Railways?—A. Yes.

Q. In their radio department?—A. In the radio department.

Q. For how long?—A. Oh, practically from its inception in 1924 or 1925. I think it was the beginning of 1925.

Q. Were you station manager?—A. With the Canadian National Railways?

Q. Yes.—A. Yes, sir.

Q. In your connection with the commission, what have you to do? What have been your duties?—A. I was station manager here at CRCO, Ottawa, for about two or three months. Then I was taken to headquarters and put in charge of the commercial department of the commission.

Q. Are you still there?—A. I am still there, yes, sir.

Q. Would you explain to the committee just a little further what your duties are in charge of that department?—A. Yes. It takes in all the commercial activities of the commission. It also takes in all the network broadcasting in this country; that is, of a commercial nature. I have charge of all that, and am responsible for the setting up of the commercial networks across this country.

Q. Do you solicit business in your department?—A. No, sir.

Q. When the business comes to you, you make the arrangements?—A. When the applications come to the commission, then I take the necessary steps to comply with the wishes of the sponsor or the agency making the request for the networks.

Q. Networks only?—A. Networks only. Then the commission stations, of course, do commercial business. I look after that.

Q. You look after all the commission stations?—A. The commission stations report to Ottawa all their commercial business, and they have to get authority from Ottawa to rent the time over the various commission stations. That is why the station managers apply to Ottawa.

Q. Do you make any long term contracts with any other private stations for programs?—A. Long term contracts?

Q. Well, or short term contracts. You make the contracts?—A. For commercial broadcasts?

Q. Yes.—A. We make the contracts, yes.

Q. Do you have full charge of those contracts? I mean, looking after the commission's interest in them?—A. Yes, sir.

Q. Have you a solicitor whom they are submitted to, or are they ever submitted?—A. I do not take full responsibility for the signing of the contracts.

Q. Who are they signed by?—A. They are signed by one of the commissioners.

Q. Who draws them up?—A. Well, the contract forms are already drawn up. I would presume they would be drawn up through the assistance of the Justice Department. The contract forms were, I think, in existence before I went officially to the commission.

Q. You have no solicitor that you submit each contract to?—A. No, sir.

Q. In engaging time for these broadcasts, you are in communication with practically every station in the country, I take it?—A. Yes. It depends on the particular network that is set up.

Q. Do you propose the networks, or do the advertising agencies have that all done when they come to you?—A. The advertising agency has that.

[Mr. Walter E. Powell.]

Q. You just act at their request in each case?—A. We act upon their request.

Q. Do you get any extra money for doing that service, for arranging those times? I mean, does the commission get any extra money?—A. If the commission arranges it for the sponsor, yes, sir.

Q. That is what I mean. Suppose the advertising agent arranges for a network broadcast for some program, any program, and you arrange with the other stations. Do you get any part of that commission, or do you do that work for the sponsor free? That is what I want.—A. We do not do any work for the sponsors free, sir. It is customary to have—do you want this?

Q. Certainly; that is what we want.—A. It is customary for the sponsor or advertiser—that is, the advertising agency—to make application to the commission at Ottawa for a network of stations for the purpose of broadcasting commercially sponsored programs, regardless of whether it is with us or a regular commercial program.

Q. Yes?—A. May I go through with this?

Q. Yes, certainly.—A. When that application comes in, we have a network approval form, and the whole details are listed on the network approval form; for instance, the date of application, the name of the sponsor or the advertising agency requesting the network, the nature of the program, the time required, and the stations of the network required. The next step is that that is submitted to the program department of the commission for their approval, in order that they can see at a glance whether that time requested would interfere with the commission's national network programs. After that, it is submitted to the commission for approval.

Q. The commission approves of all contracts?—A. They approve all network contracts.

Q. You just recommend them to them. You do not have the final approval of them yourself?—A. No.

Q. Everything is finally approved by the commission?—A. Yes.

Q. That is the case in all cases?—A. That is the case in all network broadcasts.

Q. You did not answer me. I asked you if the commission then took from the advertising agency any extra money for doing this service that you spoke of?—A. No, sir. The next step, if I may give this—

Q. Yes, go on.—A. If it is approved, as they usually are—there are very few that are not approved—then the advertising agency is quoted the price of the lines, the network facilities, and the commission arranges this for all the advertising agencies. That is always done through the commission. The next step is that we notify the advertiser or the sponsor or the agency that the approval has been given, and of the rates for the lines. Then we notify the stations also that approval has been given for them to join this particular network. Then—and this is the point I think you want—the advertising agency is free, and it usually does so, to make its own arrangements with the stations for time.

Q. For time?—A. Yes. And they deal direct with the stations. That is customary.

Q. Then you give them the services of the line services?—A. There is no charge for line services.

Q. That is without any profit. There is no charge?—A. No.

Q. What about all political contracts?—A. They would be the same way.

Q. They are the same way?—A. Yes.

Q. I have a memorandum here which you prepared yesterday which reads as follows:—

There are no contracts between the Canadian Radio Commission and the sponsors for political broadcasts during 1935 as the regulations required that all political broadcasts be paid in advance.

It would have been an impossibility to have issued contracts for each political broadcast during the 1935 election campaign. A large staff would have been required to handle the contracts and to take care of the amendments to same due to the constant changes made from the original requests. Very often last minute requests were received by phone or by wire for political networks which rendered it impossible for a contract to be issued before the broadcast took place.

All moneys have been collected for station time. There is, however, an account still standing for lines on behalf of the Conservative Party amounting to approximately \$6,000.

The reason I am reading this is that the first paragraph of the memo says that all political broadcasts had to be paid for in advance. Then the second or third one reads that there is still an outstanding account.—A. Yes.

Hon. Mr. CAHAN: To identify it, would you give the date of the memorandum?

Mr. CAMPBELL: April 28, 1936.

Hon. Mr. CAHAN: Who signed it?

Mr. CAMPBELL: Mr. Powell.

WITNESS: Yes.

By Mr. Campbell:

Q. Those two paragraphs are a little at variance are they not?—A. Yes, they are.

Q. Can you explain the reason for that?—A. The general rule is that political broadcasts, all political broadcasts, are payable in advance.

By Mr. McIntosh:

Q. You said the general rule, did you?—A. Yes.

By Mr. Campbell:

Q. You say that is the general rule. Let me read a little further from another memorandum—the 120th meeting held on August 10, 1935. This is, I take it, of the commission. It is signed by Mr. Richardson, acting secretary, and is as follows:—

It was decided that in reference to political broadcasts the agency commission would be paid to any agents whether bonded or not. This is authorized in view of the fact that all such broadcasts are paid in advance.

That is August 10, 1935. Your first statement in this memorandum reads:—

There are no contracts between the Canadian Radio Commission and the sponsors for political broadcasts during 1935 as the regulations required that all political broadcasts be paid in advance.

I just want your explanation as to how those other accounts come in.—A. The greater percentage of political broadcasts in 1935 were payable in advance.

Q. The greater percentage?—A. Yes.

Q. Yet the rule of the commission was not followed?—A. I think the intent of the rule of the commission was, as far as I remember, as regards

[Mr. Walter E. Powell.]

recognized advertising agencies with financial standing, there was no question about them—agents where there was no question about their financial standing.

Q. How does it appear then that the Conservative Party apparently owe this money, or do they, directly to the commission?—A. Yes. They owe that to the commission. The commission owe that money to the wire line companies.

Q. Then am I correct in saying that the commission were agents for the Conservative Party?—A. I do not know that you can say that exactly. Yes, they were.

Mr. MASSEY: It is not correct in some respects.

Mr. EDWARDS: That is hardly correct.

WITNESS: Not any more than any other department.

Mr. EDWARDS: An inference like that is not correct.

The CHAIRMAN: Just a minute. Will you let him answer the question?

WITNESS: We were really acting as agents for all political parties, the same as we do for all.

By Mr. Campbell:

Q. That is only as far as networks are concerned?—A. As far as networks are concerned.

Q. Did you have applications for networks directly from the parties themselves?—A. No. They all came from agents.

Q. They all came from agents?—A. Yes, as far as I know.

Q. The rest all came from agents. But this first one is apparently owing from the Conservative Party direct, not by an agent. Am I correct in saying that?—A. That refers to a matter—I think the reason for that outstanding is this, that there was some difference between some of the organizers of one of the parties as to who was responsible for payment. That matter, I think, has already been brought up in the House.

Q. Maybe I can refresh your memory a little better. I have your file here. I do not know whether you prepared it or not, but it was given to us by the commission as one of the exhibits. It is exhibit 15, showing the network broadcasts of the Conservative Party. There are a large number of broadcasts. We have not the time to go through them all, but there are quite a number listed here under one heading, the Conservative Party, a number under Rt. Hon. R. B. Bennett, and then there is a number under Mr. Sage. I saw from examining the other files of the other political broadcasts, the networks, that they were all listed in the same way—Reconstruction, C.C.F. or Liberal. This one has three different parts to it. Is there anything significant in that? Were there three separate contracts?—A. No, sir, there were not three separate contracts. The only thing significant about that is this, that the first portion of that is the Conservative Party, is it not?

Q. Yes. It is all under the Conservative Party. But it is all in three sections. That is the reason I ask about it.—A. Well, the J. J. Gibbons Advertising Agency handled the Conservative Party broadcasts.

Hon. Mr. CAHAN: I wish the witness would speak out so that we could hear him. We cannot hear at this distance.

By Mr. Campbell:

Q. I note that under the Conservative party networks, there is a schedule showing that Mr. Bennett spoke from St. John on October 3; from Quebec on October 7; and from Belleville on October 12. There is another separate schedule here for Mr. Bennett alone, in which none of these meetings is included.—A. No. Those are Mr. Bennett's.

Q. His own meetings?—A. His own broadcasts.

Q. Did he arrange separately from the Gibbons Agency for these?—A. Yes, sir.

Q. Did he arrange direct with the commission?—A. They were arranged with the commission.

Q. Directly with the commission?

Hon. Mr. CAHAN: Will you allow a question there, Mr. Campbell?

Mr. CAMPBELL: Yes.

By Hon. Mr. Cahan:

Q. Were they arranged by Mr. Bennett personally or by one of his secretaries?—A. I cannot answer that question directly, sir. I am not sure, but I think they were arranged by one of his secretaries.

By Mr. McIntosh:

Q. Did you do the arranging?—A. For the networks?

Q. For these particular ones?—A. Yes. I arranged the networks, as I did all networks.

By Mr. Campbell:

Q. Was the contract arranged with you or with the commission?—A. It was arranged with the commission; not directly with me.

Q. You had nothing to do with it?—A. Not directly, no sir.

Q. What do you mean by not directly?—A. I have just said that I understood that Mr. Bennett's secretary arranged for these broadcasts directly with the commission.

Q. Do you know which secretary? He had two or three at that time.—A. I do not know which one. It may have been Mr. Finlayson. I would not say definitely.

Q. At any rate, your commission acted as the agent of Mr. Bennett in arranging these broadcasts?—A. Yes.

Q. Did you have similar applications from other leaders of political parties—Mr. King, Mr. Woodsworth, or Mr. Stevens?—A. Not that I know of, no sir.

Q. You do not remember any?—A. No.

Q. You did not carry out any such similar arrangements with any of them?—A. I do not think so.

Q. Can you explain why the Mr. Sage broadcasts are kept separate here?—A. There is no significance at all, sir.

By Mr. Campbell:

Q. They were arranged in the same way?—A. They were arranged by the Gibbons Agency and that could be placed in the first part.

Q. I note, Mr. Powell, that in another file is a copy of the statement of the account of the Conservative broadcast and the different invoices that are attached. I note that the total was \$71,355.18 for the entire network.

Mr. EDWARDS: Good business, eh?

By Mr. Campbell:

Q. And I note the total that you have billed the J. J. Gibbons with is about \$46,307.41. I suppose that is explained by the fact that more—A. All their agencies would be involved in that total.

Q. Can you name any other agency?—A. I think there are others.

[Mr. Walter E. Powell.]

Q. Here is the Western Broadcasting Company. That is one from Vancouver?—A. That list shows the broadcasting for the entire country, provincial and national networks.

Q. Then Mr. Bennett's, which you would bill direct to him, no doubt?—A. That would be billed direct.

Q. To Mr. Bennett?—A. That was, I believe, billed direct to Mr. Bennett.

Q. Let us get back to where this bill of \$6,000 comes in. Apparently, according to your own regulations, no political broadcasts were to be allowed without being paid for in advance, am I correct in that?—A. That was the term.

Mr. EDWARDS: Mr. Campbell, is that correct?

Mr. CAMPBELL: I understand so.

Mr. EDWARDS: Presumably some responsible person vouched for it.

By Mr. McIntosh:

Q. Your own words were generally speaking that was correct?—A. Generally speaking, the agencies that were recognized. There would be no question about that. Their financial standing would be sufficient. For instance, the Coffield Brown Company or the J. J. Gibbons Company—I do not think there would be any question about their financial standing.

By the Chairman:

Q. Is this \$6,000 outstanding yet?—A. There is \$6,000 outstanding, yes.

By Mr. Campbell:

Q. Do you know of any regulations that call for payment in advance? Can you give it to us?—A. I do not know that there is any regulation.

Q. It says so here.—A. May I see that? I do not think there is any regulation to that effect. I think there is a letter to that effect on the file.

By Mr. Edwards:

Q. The Conservative party owe you \$6,000?—A. Yes.

Q. Can you tell me for what broadcast?

Hon. Mr. CAHAN: You have given what is owing to the commission?

Mr. CAMPBELL: He gave it. I will let you read the memo, Mr. Cahan, signed by Mr. Powell himself yesterday.

Mr. EDWARDS: Where are these memos, are they held in escrow, or something?

Mr. CAMPBELL: This memo was just given to the commission to-day. I just received it now.

Mr. EDWARDS: We come here and we do not have these things.

The CHAIRMAN: I think that you can get all that has been placed before the committee from the clerk of the committee, Mr. Morris. He has prepared a list and I think every member will be given a list of what has been produced before the committee.

Hon. Mr. CAHAN: There is one statement here that I should like to put in the record. Mr. Powell says: Very often last minute requests were received by 'phone or by wire for political networks which rendered it impossible for a contract to be issued before the broadcast was made. They did not know what the amount was to be.

Mr. CAMPBELL: I am trying to find out, Mr. Cahan.

Q. With the exception of Mr. R. B. Bennett's, which was arranged directly, according to what you stated to me?—A. Yes, sir.

Q. All the other broadcasts in this file were arranged by J. J. Gibbons or some other advertising agency, is that correct?—A. That is correct so far as the booking of time on stations is concerned.

Q. Then you billed J. J. Gibbons or the advertising agencies for that time? Am I correct in saying that?—A. We did bill the J. J. Gibbons Company.

Q. For what broadcasts did you bill the Conservative party direct?—A. We did not bill the Conservative party direct at all.

Q. How is it that you say in your memorandum which is signed by yourself that they owe you \$6,000?—A. Well that is as I explained a moment ago, sir.

Q. Yes, what is that?—A. I think I made the statement that all political broadcasts had been paid for with the exception of one, with the exception of the amount outstanding and owed by the Conservative party.

Q. I am asking you what broadcast that is for?—A. That covers a series of broadcasts. I stated that the reason why that was not paid by the Conservative party was due to some misunderstanding among the party organizers as to who was responsible for payment. And I further stated, sir, that that matter was brought up in the House of Commons. And that is still outstanding on that account.

Q. Is that for the schedule that Mr. Bennett had here?—A. That covers that schedule.

By Mr. McIntosh:

Q. Do I understand you to say that Mr. Bennett's personal broadcast has not been paid for as yet? Is that part of the \$6,000 that is not paid?—A. Well, I am not quite sure whether Mr. Bennett—I am not quite sure who paid the cheque or who paid on account of the broadcast, but I know it was not Mr. Bennett.

Q. You are satisfied on that point?—A. I am satisfied on that point. There is no question, sir, in my mind, that that will be paid within the next few days.

By Mr. Ryan:

Q. Who on the books owes this bill of \$6,000? Who is it charged to?—Who is directly charged with it?

By Mr. McIntosh:

Q. The specific person of the Conservative party who owes that bill to the Commission?—A. I think it was originally charged to Mr. Bennett.

Q. I beg your pardon?—A. It was originally charged to Mr. Bennett.

By Mr. Ryan:

Q. Is that a fact?—A. And it is being paid by Mr. Bennett.

Q. Is that a fact?—A. It is a fact, sir.

MR. CAMPBELL: We had better have the accounts. Could we have them produced, I mean, the books showing this?

By Mr. McIntosh:

Q. You say you think it will be paid within a few days; who do you think will pay that account? What is in your mind?—A. I assume the party organizer that paid the last cheque.

Q. You think that where there was confusion before and lack of unity, the organizers will get together and you will have it paid?—A. I am quite certain. I have no doubt in my mind but that it will be paid.

[Mr. Walter E. Powell.]

By Mr. Campbell:

Q. Who arranges for the credit in connection with political as well as commercial broadcasts? Do you establish that?—A. Credit?

Q. Yes. Apparently credit was granted here?—A. That is the only account that is not paid and is due to confusion, apparently, as to who was responsible.

Q. I know, but who arranged for the credit to be granted? Do you have that authority?—A. I would not have that authority. I would not have that full authority.

Q. You have some authority in granting credit for commercial broadcasts?—A. Yes, sir, to recognized agencies, where there is no question as to the financial standing of the agency.

Q. Did you grant this credit yourself?—A. I did not do it. You mean, did I actually do that myself?

Q. Yes.—A. No, sir, I was not responsible for that.

Q. You submitted that to the Commission, or did they pass it down to you?—A. It was passed to me.

Q. Passed to you from the commission?—A. Yes.

Q. The Commission granted the credit?—A. Yes.

By the Chairman:

Q. Did you say yes or no?—A. I said yes.

By Mr. Edwards:

Q. Did you follow any plan for these broadcasts different from what you would follow in connection with other organizations?—A. No, absolutely not, sir.

Q. You were certain at all times that these broadcasts would be paid for by responsible people?—A. I was quite sure and I am still of that opinion, sir.

Q. So that there is nothing different at all about these broadcasts than any other political broadcast?—A. You are speaking about the—

Q. I mean the financial arrangements?—A. The financial arrangements? No, sir, the Commission acted as an agency in a legitimate way. We took the commission.

Q. 15 per cent?—A. We got paid for our services.

By Mr. Campbell:

Q. You got paid 15 per cent?—A. Absolutely.

By Mr. Edwards:

Q. A recognized advertising agency takes the work of a manufacturing firm, for instance, over a year and handles the business, so much is allotted to broadcasting and so much is allotted to newspaper work, and you expect there is a responsible person behind it? That is common practice?—A. Yes.

By Mr. Martin:

Q. The fact is, Mr. Powell, that this bill has not yet been paid?—A. No, it is not yet paid.

Q. And you have told us that you expect it will be paid?—A. I have reason to believe it will be.

Q. What is the basis for your reasoning?—A. I think the accounting department will pass that information to you, sir.

Q. The accountant?—A. The chief accountant.

Q. Of what?—A. Of the Radio Commission.

Q. How would they know?—A. I do not know.

Q. In other words, what you have just told us is purely conjecture?—A. It is purely a conjecture, but I have reason to believe it will be.

Q. What is the reason?—A. It is purely a conjecture. I would not like to think the other way.

Q. You have no other reason?—A. No.

By the Chairman:

Q. Can you show on your record where you have extended credit facilities to any political party, or will you show to what political party you did extend credit facilities?—A. Yes, sir, credit was extended to all political parties.

By Mr. McIntosh:

Q. That may be so, but there is no amount of money owing by any political party except one, is that right?—A. That is correct.

Q. There is no amount of money owing by the Reconstruction Party?—A. No, sir.

Q. And no amount owing by the Liberal Party?—A. No, sir.

Q. And no amount of money owing by the Cooperative Party?—A. No, sir.

By Mr. Campbell:

Q. But did you do business direct with the other parties?—A. Yes, we did, sir.

Q. To what extent?—A. Well, in Quebec, the Liberal party.

Q. Was that in the provincial election?—A. I would not be certain whether there was any in the federal, I am not quite sure. There may have been, but I would have to look at the records.

Q. You were not acting as an agent for any of the other political parties?—A. No, sir, we were not asked.

Q. Regarding Mr. Gibbons's account, you told me a short time previously that you took no extra money for arranging line charges or networks? Correct?—A. That is correct. May I modify that "correct"?

Q. That is what I took from what you told me?—A. No charges made for the setting up of wire line facilities?

Q. Yes, or networks?—A. That is right.

Q. I see here the total amount in connection with Mr. Gibbons was \$46,307.41 less 15 per cent agency commission?—A. They got the commission.

Q. That is \$6,946.11 plus a service charge of 2 per cent of the \$46,307.41. What is that 2 per cent?—A. That covered costs in arranging time on the stations.

Q. That is at variance with what you have just told me?—A. No, sir, I just stated—

Q. You might make that clear.—A. For all parties and for all political broadcasting, or, at least, all commercial broadcasting in this country, the commission arranged all wire line facilities for which there is no charge to the sponsor.

Q. There is no charge to the sponsor?—A. No.

By Hon. Mr. Cahan:

Q. I cannot hear the witness but occasionally, and I think the record will show some inconsistency in his statements. Is it not a fact that with respect to all political broadcasts that went through the Radio Commission, the Radio Commission arranged for the broadcasts over networks?—A. We arranged all the wire line facilities, that is, the wire line facilities to connect all the different stations, yes, sir, for all network broadcasting in 1935.

[Mr. Walter E. Powell.]

Q. There were on behalf of the Liberal party certain network broadcasts, were there not, in Canada?—A. I beg your pardon.

Q. There were arranged on behalf of the Liberal party certain network broadcasts?—A. Yes, sir.

Q. And I understood you a moment ago to say that you arranged for all these network broadcasts and you charged your commission for your services in providing those facilities?—A. Not all of them. That is, we did not arrange or book time with all the stations. The agencies did that themselves direct.

Q. Some of them did it themselves direct?—A. Yes. Were we requested to do it, we would have done it.

By Mr. Campbell:

Q. Could you tell us the ones you were requested to do it for?—A. No.

Q. The Conservatives?—A. The Conservative party is the main one.

Q. Not for the others?—A. I stated a moment ago there were some that I would—

Q. There was a limited number?—A. Yes. Were we requested to do it, it would have been done.

By Mr. McIntosh:

Q. It would have been better had you been requested and had you done it?—A. I do not know about that.

By Mr. Campbell:

Q. The agencies arranged that themselves?—A. I do not see any objection to the agencies arranging that.

Mr. MACDONALD: Unless there is a complete and close check-up.

By Hon. Mr. Cahan:

Q. In arranging for these networks did not the Radio Commission arrange in the first instance for the times which would be available?—A. That is quite correct.

By Mr. Campbell:

Q. In all cases?—A. In all cases.

By Hon. Mr. Cahan:

Q. Having arranged for the time it was simply a question of whether the Radio Commission would arrange the contracts or leave it to the advertising agency to arrange its own contracts with respect to network stations?—A. That is quite correct.

By Mr. Martin:

Q. That is the practice?—A. That is the practice followed in 90 per cent of the cases.

Q. That is the practice followed in 90 per cent of the cases?—A. Yes.

By Mr. Campbell:

Q. Did you send wires to all private stations arranging all the networks of all the party broadcasts? I mean, that is what I took from your answer to Mr. Cahan.—A. Not necessarily wires. We would send them letters and issue them authority to join that network.

Q. In every case?—A. In every case.

Q. We had better clear this up. On page 140 of the evidence Mr. Harry Sedgwick was being examined. You know him quite well?—A. Yes. I remember it.

Q. Without reading too much of this I asked him this question:—

Q. You heard the evidence of Mr. Charlesworth, that your station broadcast this program?—A. I would like to explain to the committee the position of CFRB in the broadcasting of political programs. As far as the Conservative party programs are concerned, the time of CFRB was always taken by The Canadian Radio Commission. None of the programs as far as I recall, of the Conservative party originated in the studios of CFRB. They were all fed to us by line. We had no knowledge when the time was booked, who the speakers might be or what type of program was to be fed to us. We merely accepted it as we do other programs that are booked by advertising agencies or other accounts to come to us on a telephone line. The Sage broadcasts were just among those that were fed to us on a telephone line, and we had no knowledge, of course, as to what they were to be from one day to another. They were fed to us as they were to most other stations where the Sage broadcasts were carried. CFRB was booked by the Canadian Radio Commission.

Q. Was that the practice followed with other political broadcasts?—

A. No, we did not get those from the commission; we got them from parties or from advertising agencies representing the parties.

HON. MR. CAHAN: Is that not perfectly consistent with this?

MR. CAMPBELL: No, it is not.

Q. My question to you a few moments ago was: I take it from what Mr. Cahan said, or your answer to him, that you arranged the time of the networks for all the political broadcasts?—A. No, that was not what I understood.

Q. That is what Mr. Cahan asked you, and you said yes.

MR. CAHAN: No.

THE WITNESS: No.

MR. CAMPBELL: I probably misunderstood.

HON. MR. CAHAN: There is no reason why there should be a misunderstanding.

MR. CAMPBELL: I am sorry if I misunderstood.

HON. MR. CAHAN: I asked if the Canadian Radio Commission did not arrange the times at which the broadcasts were required, and I understood the witness to say that that was the usual practice. But he did not say that the Radio Commission in all cases made the contracts with the entire network stations as to the use of that time for particular stations.

MR. CAMPBELL: That is what I understood, and that is where we are at variance.

THE WITNESS: May I explain it?

MR. CAMPBELL: Yes.

THE WITNESS: I stated, I think, some time ago that the commission arranged for wire line facilities for all network broadcasting regardless of whether it was political or the ordinary commercial programs.

Q. That is the wire lines?—A. The wire lines.

Q. That has nothing to do with the stations?—A. Yes, it has something to do with stations too.

Q. To what extent?—A. I stated in the beginning that an advertiser made application, or the sponsor or agency made application, to the commission for a certain network and that the commission dealt with it in this way. First of all we ascertained whether that time was available and that group of stations was available for that sponsor, because that is very often essential as many of these stations have contracts with the commission and it is commission time. Natur-

[Mr. Walter E. Powell.]

ally the commission is asked whether authority can be given to release those stations, whether the sponsor can have those stations.

Mr. McINTOSH: In other words, whether he would have the time or not.

By Mr. Campbell:

Q. Probably we can fix it up in this way. That is the system of arranging the technical details of it, but as far as the business connections of your commission with other broadcasts, you had none? Am I correct in saying that?—A. I would not say altogether, no, sir. I think there were some other parties for whom we arranged that.

Q. But they were of a very limited extent?—A. Not to the same extent as the Conservative party in this case, because they did not come to us.

By the Chairman:

Q. I understood you to make a statement a while ago that the time for all the stations over the network was booked by your commission for all political parties?—A. Not the time on stations, no, sir, only the wire line facilities connecting the stations.

By Mr. Campbell:

Q. Mr. Cahan asked Mr. Sedgwick on page 141 of the evidence this question:—

Q. In connection with broadcasts covering the whole country, do you usually receive similar requests for reservations of times for the Canadian Radio Commission?

And Mr. Sedgwick replied:

A. We never have done so.

The WITNESS: No. Perhaps his station was not included.

Q. His station is a very important station?—A. I am thinking primarily—

Mr. MASSEY: Mr. Chairman, perhaps I can clear up the point. On page 143 of the evidence of Friday, April 24, Mr. Sedgwick was asked the following questions; and answered according to the statements here recorded:—

Q. A short time ago you stated the Canadian Radio Commission made application to you for the use of your station for these broadcasts. That was the first application you had from them?—A. Yes.

Q. CFRB is an outlet for the Columbia Broadcasting System?—A. When you say outlet, we have an arrangement with them whereby we use a certain amount of their sustainers.

Q. And CRCT is in the same position?—A. Yes.

Q. The Canadian Radio Commission has its own basic chain?—A. That is right.

Q. In which CFRB is not included?—A. Not a member.

Q. The majority of the programs going over CRCT either from the National Broadcasting Company, sustaining programs or commission programs—they are not in the same class of commercial business?

It should read, "They are in the same class of commercial business?" And the answer is:—

A. That is right.

Q. Therefore, there is nothing unusual in the fact that they made application to you for the use of your station?—A. It would be unusual if they did not.

Then in yesterday's evidence, at page 46, Mr. Henshaw was being examined, and the following questions were asked:—

By Mr. Martin:

Q. In deference to Mr. Campbell's innocence, Mr. Henshaw, just confine yourself to the things that you would want to tell?—A. On the first occasion I was in company with J. J. Gibbons and Mr. R. A. Stapells of the Gibbons Agency, who came to consult with Mr. Lawson about the proposed campaign for the Conservative party whom they were representing as advertising agents, and to ascertain from him exactly what he wanted them to do. In the course of that conference it was determined that certain set-ups would be used in the form of national broadcasts and certain provincial broadcasts. A tentative schedule was made up after which, in company with the same two gentlemen—Mr. Lawson remaining in his office or going to his ministry—we went to the offices of the Canadian Radio Commission, there to ask for the permission which is required for network facilities; likewise to ascertain if it would be possible to save the middleman in the form of a broker, for the talking to be done directly for those time allotments on the stations from the Radio Commission office.

By Mr. Campbell:

Q. Did they give you a discount?—A. I beg your pardon?

Q. You said to eliminate the need of a broker, and I want to know the reason for that?—A. Because since you had to go to the Radio Commission in the first place to get permission to have a network, and that applies to each broadcast, why not concentrate the entire matter in one place and not scatter it about?

I submit that that answers the entire question under discussion.

By Mr. Campbell:

Q. That is very true, and that evidence was very good, but the fact remains that you booked time for the Conservative party broadcasts from CFRB and other private stations, is that correct?—A. That is correct.

Q. You did so as agents for the Conservative party, the Rt. Hon. R. B. Bennett, and for Mr. J. J. Gibbons, who you knew was representing the Conservative party, is that correct?—A. That is correct. The two were dovetailed together.

Q. And you charged a 2 per cent service charge?—A. I do not know if it was two.

Q. That is what is on here. I will let you see it.—A. It is approximately a thousand dollars. That covered any costs involved in handling that for the Gibbons agency.

Q. I take it from these cheques, one on October 1, for \$23,000 odd, and the other on December 2, a balance of almost \$16,500, that they would be paid by Mr. Gibbons direct?—A. By the Gibbons agency.

By Mr. Martin:

Q. Mr. Powell, just before Mr. Campbell goes on, you told us that there was \$6,000 owing to the commission?—A. I said approximately \$6,000.

Q. And that several weeks ago there was \$20,000 owing, is that right?—A. \$21,000.

Q. Who did you bill that \$21,000 account to?—A. I think I already stated that a little while ago.

The CHAIRMAN: State it again.

[Mr. Walter E. Powell.]

By Mr. Martin:

Q. We have never discussed \$21,000 to-day, we have discussed \$6,000. I am speaking of the \$21,000 item. Who was that billed to?—A. That was originally billed, I think I am correct, to Mr. Bennett.

Q. And where was it billed to Mr. Bennett?—A. I could not tell you that, sir. I do not handle the accounts.

Q. Who could tell us that?—A. The accounting department handles that.

By Mr. Campbell:

Q. You have nothing to do with that?—A. I have nothing to do with the accounting.

By Mr. Martin:

Q. How do you know it was billed to Mr. Bennett?—A. I saw the bill.

Q. Where was it addressed to him?—A. I could not tell you that

Q. Was it the Chateau Laurier?—A. It may have been.

Q. Did you see it?—A. Yes, but I cannot remember that.

Q. You do not remember the address?—A. I do not remember the address.

Q. When was the first payment made on the item of \$21,000.00?—A. I could not tell you that.

Q. You would not know that?—A. Not the date, no, sir. The account is in the department. I cannot tell you how long ago it is.

Q. You cannot tell?—A. No, it may have been a month.

Q. Can you tell us who paid it?—A. No, I cannot tell you that.

Q. Was it J. J. Gibbons or some private individual?—A. I could not tell you that, sir. The accounting department would know that.

Q. With respect to the \$6,000.00 owing, have there been accounts rendered?—A. I could not tell you that at all. The accountant would know.

Q. What is the name of the accountant?—A. The accountant is Mr. Mortimer.

Q. Do you think he would be available today?—A. No, I think he is out of town. I think he is in Montreal. I think he will be available tomorrow.

MR. CAMPBELL: I have nothing further from the political end of it. I do not know whether anybody else has.

MR. MARTIN: I have several questions.

By Mr. Martin:

Q. CRCT is a Radio Commission station?—A. Yes.

Q. We have been told in connection with the Sage broadcasts that the studios of CRCT were used on a number of occasions?—A. Yes. I think the first three.

Q. No, the first two and the last.—A. The first two and the last?

Q. Yes. How much was paid for the use of those studios?—A. I could not tell you that.

MR. CAMPBELL: That is in the bill. Oh, no, not the use of the studios.

By Mr. Martin:

Q. Would Mr. Mortimer be able to tell us that?—A. Yes. Mr. Mortimer would be able to tell you that.

By Mr. Campbell:

Q. Mr. Powell, do you feel after your experience in all this, like making any suggestions? We have had an election, and you have had some experience regarding the handling of political broadcasts. We are a committee charged

by the House with bringing in either some new method or bolstering this one up. Have you any suggestions that you can make, as a result of your experience, as to the handling of this?—A. You mean as to the policy to be pursued by the commission?

Q. Yes, the general policy.—A. Well, I do not wish to evade your question, but I think the commissioners would perhaps be able to answer that question.

Q. I do not wish you to get in wrong with the commission.—A. It is a matter of policy that you are asking about.

HON. MR. CAHAN: Are you not out of order? That is the first constructive question I have heard?

MR. CAMPBELL: You mean the first unfavourable question.

By Mr. Campbell:

Q. Well, on account of your experience, not on account of your connection with the Radio Commission, have you any suggestions?—A. I have my own private opinion.

Q. Give us just your own private opinion?—A. I prefer not to express it unless it is insisted upon.

Q. All right. I do not want to force it from you.—A. After all, it is a matter of policy and something the commission should decide. The commissioners are here.

MR. CAMPBELL: I do not want to get anybody in wrong.

By Mr. Ryan:

Q. You have a standard scale of prices?—A. Yes.

Q. For all broadcasting. The political broadcasts are not different?—A. No. There is no difference between the commission stations' schedules.

Q. The Radio Commission makes, or you make, a contract, do you not, for the price charged?—A. Yes.

Q. I want to know is that price clear in respect to all political parties?—A. Yes, absolutely. There is no difference.

Q. The same charge is made?—A. Yes, the same charges, the same rates. There is absolutely no variance.

By Mr. McIntosh:

Q. There is a standard rate?—A. Yes.

By Mr. Edwards:

Q. Is there a sliding scale depending on the hour of the day?—A. Yes, there is. The rates vary according to the hour of the day.

By Mr. McIntosh:

Q. Is there a sliding scale depending on the amount of business offered?—A. Yes, there is.

Q. The more business, the less the rate?—A. The more business, yes.

By Mr. Ryan:

Q. Would that apply to political as well?—A. That applies to political as well.

By Mr. Edwards:

Q. That applies to everybody?—A. Yes.

[Mr. Walter E. Powell.]

By Mr. Ryan:

Q. How would it work out in this instance?—A. In just exactly the same way.

Q. Who did you get the most business from?—A. I beg your pardon.

Q. I say, who did you get the most business from?—A. Who did we get the most business from?

Q. Yes, from the Radio Commission?—A. You mean the commission stations?

Q. Yes?—A. I do not know. I would have to look into that. It may not be from any one particular party.

By the Chairman:

Q. For those broadcasts about which there has been some discussion, did the Radio Commission issue a cheque in payment to all these private stations which were included in the network?—A. As the commission received payment from the agency or sponsor, then they paid the station.

Q. With respect to CFRB in Toronto, I understand that their station was used for the Sage broadcasts; I mean to say that they went through their station and used a certain amount of time?—A. Yes.

Q. Did the Radio Commission pay that station for the time that was used on their station for the Sage broadcasts or other political broadcasts. It all came from the commission?—A. Yes.

Hon. Mr. CAHAN: That is all your proposition.

The CHAIRMAN: I am asking the question.

Hon. Mr. CAHAN: I know. But I submit, with all deference, that the witness has said he does not know.

The CHAIRMAN: He said, "yes."

Hon. Mr. CAHAN: It was stated they engaged some.

The CHAIRMAN: He said "yes" to the question. I asked him this question, that at times certain private stations were included in the network of these political broadcasts.

Hon. Mr. CAHAN: Yes.

The CHAIRMAN: I am asking Mr. Powell if the Radio Commission pays these stations directly for the time used, and he says, "yes."

Hon. Mr. CAHAN: Those engaged. But it was stated there were some others that were not engaged.

Mr. CAMPBELL: They would naturally pay the ones engaged.

WITNESS: Yes. Those that the commission engaged, naturally, the commission would pay.

By Mr. McIntosh:

Q. If some other agency would engage others, they would pay them?—A. Yes.

By Mr. Campbell:

Q. You said it would be paid as you received the money. Just going back to the evidence of the other day, in the examination of Mr. Sedgwick by Mr. Plunkett, at page 144, I read as follows:—

Q. Did you receive payment from the Canadian Radio Commission?

—A. Yes, we were paid up yesterday.

By Mr. Edwards:

Q. Paid up finally?—A. Yes.

Q. How much was the last payment?—A. I do not know; I have not been in the office for two days. But at the beginning of this month I think there was \$700 or \$800 owing.

Q. It was just the clean-up?—A. Yes.

According to the account which you rendered or the copies of the accounts here from Mr. Gibbons for the Conservative broadcasts, it was completely paid on December 2, 1935?—A. That is right.

Q. Which would leave payment to CFRB only made on April 24 of this year, the final payment?—A. Not on that account.

Q. This was on other accounts, was it?—A. Well, on the account that was outstanding, the account we have had under discussion.

Q. All right. There was an account outstanding. You just said a few minutes ago you would pay the private stations as you received the money?—A. That is exactly correct.

Q. You still have \$6,000 owing from the Conservative party?—A. That is correct.

Q. And you have paid the private stations?—A. That is correct.

Q. Then you have taken the chance?—A. No. That \$6,000, as I pointed out in my memorandum, is owed to the wire line companies.

Q. How do you explain the split-up? The total account in the first place was so much?—A. Yes.

Q. How is it that the wire line companies are going to be the last paid?—A. Oh, I think that is a matter of accounting. That is one thing which the accountant could explain to you.

By Mr. McIntosh:

Q. If the account is not paid, the wire line companies would be the ones to suffer?—A. I say it is owing to the wire line companies. Possibly some of it may be owing to the commission.

By Mr. Campbell:

Q. In all your experience in this, is this the way you handle your commercial broadcasting; I mean, the other part, the other general business? Is that handled in the same way, or is there something different?—A. I think I dealt with that at the beginning, how it was handled.

Q. But this appears to me to be a rather peculiar business arrangement?—A. You are referring to what?

Q. I am referring to the entire business set-up. Did you depart from your general business practice?—A. This was an exceptional year, 1935, sir.

Q. Yes.—A. And there were not any precedents to go by.

Q. In other words, you departed from your general business practice?—A. I would not say that, no.

Mr. EDWARDS: In what way?

WITNESS: I would not say that we did.

By Mr. Campbell:

Q. You did not?—A. I mean, I cannot see how we departed from it. Can you give me any specific instances?

Q. No. I am just asking you if we can take it from your evidence, to save time, that that is the way all the programs are handled by the commission. I mean by that what you have explained as to its dealing with the accounts and everything else, and the paying of the stations. There is nothing in the handling of this political business different from the handling of the programs of one of the large manufacturers?—A. No, sir, not at all.

Q. Not at all?—A. Exactly the same.

[Mr. Walter E. Powell.]

By the Chairman:

Q. Mr. Powell can you tell us if there are any outstanding accounts, in regard to any commercial broadcasts except this?—A. Oh, I could not tell you that.

Q. The accountant can tell us that?—A. The accountant could tell you that.

By Mr. McIntosh:

Q. Why would you say that 1935 was a rather special year, in a business way, with the commission?—A. Because I know, as a matter of fact, the avalanche of business was unprecedented in the history of radio in this country.

Q. What kind of business, political or commercial?

MR. MARTIN: He does not mean the election avalanche.

WITNESS: I am speaking of the work. I am not speaking of anything politically or otherwise. I am speaking of the work as a whole.

By Mr. Ryan:

Q. The volume of business? —A. The volume of business. You have got some idea of it.

By Mr. Martin:

Q. You take that as a proof that recovery is gradually taking place?—A. I hope so.

MR. MASSEY: That is up to the end of 1935.

MR. MCINTOSH: We will go at a much faster pace now.

MR. CAMPBELL: What year do you go by, the fiscal year?

MR. EDWARDS: This is the first time the Radio Commission ever had to do that broadcasting, I think.

WITNESS: I can give you some idea of just what the situation was in 1935.

By Mr. Campbell:

Q. Is this the fiscal year that you take in your report?—A. No.

By Mr. McIntosh:

Q. Is it the calendar year or the fiscal year that you are dealing with? —A. It would be the calendar year.

Q. Compared with what other year?—A. I do not think there is any comparison.

By Mr. Edwards:

Q. This is the first time the Radio Commission ever had a broadcast of this kind?—A. This is the first time an election has taken place.

By Mr. Martin:

Q. You had one the year preceding?—A. A provincial one.

MR. EDWARDS: I mean a general one.

MR. MARTIN: That was a general election.

MR. MCINTOSH: A rather interesting election, too.

MR. MARTIN: An avalanche also.

THE CHAIRMAN: Will you let Mr. Powell go ahead?

HON. MR. CAHAN: Let Mr. Powell get something on here.

WITNESS: These figures refer primarily to political broadcasts.

By Mr. Campbell:

Q. Primarily to political broadcasts?—A. Yes, these figures that I have here for 1935. I am not sure whether I have the commercial here as well or not.

Q. Could you get the commercial, and have them both filed with the committee as exhibits?—A. Yes. I have it, but I think some of the political is in this. I have the commercial from September 1, 1934 to August 1, 1935.

Q. By months or what?—A. No, that period.

Q. What is the total amount?—A. About \$336,000.

Q. That is the entire revenue, is it?—A. No, that is not the revenue. I am speaking of network broadcasts, commercial network broadcasts.

Q. Just explain that. How do you get that amount if it is not revenue? Does it not go into that?—A. This is an estimate.

Q. An estimate?—A. Yes. That is the revenue spent by advertisers on network broadcasts during that period.

Q. Did you have anything to do with setting the tariffs that you charge or the rates you charge? How would you arrive at them?—A. You mean the station rate?

Q. Yes.—A. Well, most of those were set before I came.

Q. Before you had anything to do with it?—A. Yes.

Q. You cannot tell us how the tariff was arranged?—A. It would depend on different factors; for instance, the power of the station, its location, its coverage. Do you still want those figures?

Q. I think you might just file them as exhibits.

By Hon. Mr. Cahan:

Q. During 1935 have you the amount of the Radio Commission charges; that is, for all the work it did for political broadcasts, over its own lines and network lines?—A. You mean have I got a statement of the amount of money that was spent on the political broadcasts during 1935?

Q. Well, that perhaps will cover it. Have you got that?—A. I have a statement here which I have been asked to file. Would that be satisfactory?

Q. But can you give it orally?—A. Do you wish me to give it out?

MR. CAMPBELL: Sure.

WITNESS: This is an estimate.

By Mr. McIntosh:

Q. This is, I understand, both political and commercial.—A. No. This is only political.

THE CHAIRMAN: This is an estimate for 1935.

HON. MR. CAHAN: Can you give the accurate figure?

By Mr. Campbell:

Q. Is this the amount you had dealings with?—A. Yes, on the network broadcasts only. It refers to political network broadcasts only.

By the Chairman:

Q. Is that the amount that the Canadian Radio Commission received for political broadcasts during 1935?—A. No, sir.

Q. What is it?—A. It is an estimate of the amount spent by all the political parties on radio broadcasts during 1935, network broadcasts.

MR. CAMPBELL: That is all right to be put on the record. That is going into the file. We might as well.

THE CHAIRMAN: Do you want him to read it?

[Mr. Walter E. Powell.]

Hon. Mr. CAHAN: I do not see why.

The CHAIRMAN: It will be filed.

Mr. CAMPBELL: It is going to the file.

Hon. Mr. CAHAN: I was simply asking for the total.

Mr. CAMPBELL: Sure, give it to him.

The CHAIRMAN: Is that all there is to it?

Mr. CAMPBELL: Read it out, Mr. Cahan.

Hon. Mr. CAHAN: I do not wish to read it out. I am not giving evidence.

The CHAIRMAN: We will put it in the record.

Hon. Mr. CAHAN: The estimated total is perfectly clear here. I was asking for the estimated total. It is \$137,257.61, is it not?

Mr. CAMPBELL: That is of all parties?

Hon. Mr. CAHAN: Yes.

WITNESS: No, sir.

By Mr. Campbell:

Q. What is it, then? You read it out and explain it.—A. This a resumé of national and regional political network broadcasting in Canada during 1935.

By the Chairman:

Q. Just political broadcasting?—A. Political broadcasting by all political parties, both federal and provincial parties. The total for the federal parties was—

Mr. McINTOSH: This is the calendar year, is it?

The CHAIRMAN: Yes, it will be.

WITNESS: The calendar year, yes sir. The total for the federal parties, as estimated, is \$137,257.61.

By Hon. Mr. Cahan:

Q. That is the figure I read?—A. Yes. That was the estimated amount spent by all political parties—that is federal—on network broadcasting in Canada in 1935.

By Mr. Campbell:

Q. How was it split up among the four parties?—A. Do you wish me to read it?

Q. Yes.

The CHAIRMAN: Yes. It is going on the record anyway.

WITNESS: The Conservative party, \$85,000. You do not want the odd figures?

Mr. CAMPBELL: No.

WITNESS: \$85,000. The Liberal party, \$46,000; the Reconstruction party, \$5,000 and the C.C.F. party, \$300.

The CHAIRMAN: They are a poor party.

By Mr. Martin:

Q. The Communist party had one broadcast, had they not?—A. Well, that is not network. This is only network.

By the Chairman:

Q. Have you got Social Credit included in that?—A. Yes. I was coming to that in a moment.

Mr. JOHNSTON: That is paid for.

WITNESS: The provincial political parties, all parties are as follows: B.C. Liberal party, \$2,134; Alberta Liberal party, \$857; Alberta Conservative party, \$134; Alberta Social Credit party, \$2,224; United Farmers of Alberta, \$2,439; Quebec Liberal party, \$16,169; L'Action Liberale Nationale, \$3,565; L'Union Nationale, \$7,813; New Brunswick Liberal party, \$740; New Brunswick Conservative party, \$1,457; Prince Edward Island Liberal party, \$316; Prince Edward Island Conservative party, \$52.

The total amount spent on political network broadcasting, or the estimated total amount for the year 1935, by all parties, was \$175,000. The total estimated number of hours of political broadcasting was 256.

By Mr. Ryan:

Q. That is network only?—A. Yes, that is network only.

Q. That would not give any idea of what is paid to the private stations if they are not on the network?—A. I have made an estimate of the local political broadcasting. Those figures are not available. I did make an estimate.

Q. That does not give any assistance as to what the total broadcasts have been, or by what parties, dominion and provincial?—A. No, sir. Those figures are not available. I made an estimate. It is purely an estimate. I will read it if you wish.

Q. Do you get, for instance, from the Saint John private stations the time allotted for private broadcasting not on the network, and what is paid?—A. Private stations?

Q. Yes.—A. No, sir. We had nothing to do with private stations.

Q. You could not make an estimate if you have not got those figures, could you?—A. I could make an estimate, but it would be an estimate.

Q. It is only a guess?—A. It would be approximate; that is all.

By Mr. Martin:

Q. Does this include amounts paid in connection with the Sage broadcasts?—A. Those would naturally be in there.

Q. Could you tell us how much was paid in connection with the Sage broadcasts?—A. The amount?

Q. Yes.—A. Well, I cannot tell you now, sir.

Q. It could easily be worked out?—A. Yes. I think you have it.

Mr. MARTIN: We have here a statement prepared by the commission with respect to the cost of the studio broadcasts, and we might as well get that in.

Hon. Mr. CAHAN: Might I ask a question here?

Mr. MARTIN: Yes.

By Hon. Mr. Cahan:

Q. This estimate that you gave would not include the revenues received for political broadcasts from CKAC, La Presse, Montreal or from CFCE, Montreal or such Montreal stations as those which are outside your network?—A. Yes. It would include all; all political network, if they are on the network.

Q. Suppose I make an address in Montreal over La Presse, over CKAC or over CFCE, and suppose I pay for it or my association pays for it. That does not come in your estimate at all, does it?—A. You are speaking of renting a station locally and broadcasting locally?

Q. Broadcasting locally.—A. Oh, no sir. That does not come in that estimate.

Q. No. And that is a large volume of business, is it not?—A. Yes; for which, as I just said, there are no figures available.

[Mr. Walter E. Powell.]

Mr. RYAN: That is the biggest volume.

Hon. Mr. CAHAN: I suppose so. I do not know.

Mr. RYAN: I know from those figures that it is.

By the Chairman:

Q. With regard to this document being filed here, those estimates were prepared by you. But there is nothing to prove that that amount of money has been spent. It is just an estimate that you made?—A. It is approximate, yes sir.

Q. When did you make that estimate?—A. Oh, I cannot just remember.

Q. Early in the year?—A. Two or three weeks ago.

Q. You did it since then?—A. Yes.

Q. Because we want the record right. We do not want people to think that that amount of money is being spent. It is simply an estimate by Mr. Powell as to what he estimates was spent for the network for political broadcasts. But there is nothing accurate about it.—A. It might vary.

Mr. McINTOSH: The estimate is not completed. I do not see that it amounts to very much unless it is fairly complete.

By Mr. Martin:

Q. We have a statement here which purports to be a statement of account for Conservative broadcasts as per invoices attached herewith. These were prepared by the Commission. I will put it in now, I think, Mr. Chairman. These are in connection with the Sage broadcasts: September 7, \$1,271.01; September 21, \$1,427.52; September 28, \$1,364.50; October 5, \$1,462.50; October 11, \$1,410.92; September 7, \$297.17; September 21, \$314.03; September 28, \$312.53; October 5, \$258.62. That is a total, Mr. Powell, of \$9,611.72 in connection with the Sage broadcasts.—A. That is the total.

Hon. Mr. CAHAN: Mr. Martin, you have an account prepared by the commission there?

Mr. MARTIN: Yes. These are the commission's documents supplied to us since we have met. I was reading from them.

Hon. Mr. CAHAN: Quite so. As to the dates, those dates do not correspond exactly with the six Sage broadcasts.

Mr. MARTIN: Yes, they do.

Mr. CAMPBELL: They do according to the schedule.

Hon. Mr. CAHAN: Do they?

Mr. MARTIN: Yes.

Mr. CAMPBELL: You are simply charged with those six broadcasts on those dates.

Mr. MARTIN: Yes.

Hon. Mr. CAHAN: What was the total amount?

Mr. MARTIN: \$9,611.72.

By Hon. Mr. Cahan:

Q. Were those accounts all paid?—A. The amounts just mentioned, sir?

Q. Yes.—A. Oh, yes.

By Mr. Campbell:

Q. I asked you a question a while ago that you did not like to answer, regarding the experience you had in political broadcasting. In view of the fact that you told us that in the last year there has been a tremendous increase in

the amount of broadcasting in Canada, not only politically but in other lines—naturally, it is a growing business—have you any suggestions to make to the committee that we might put in our report to the House?

Hon. Mr. CAHAN: I would suggest, if it is desired, and this witness is qualified and competent to do so, that he should put that in writing.

Mr. CAMPBELL: Sure. I am quite willing.

By Mr. Campbell:

Q. If you wish to prepare a short brief on account of your experience—naturally you have had a long connection with radio, and your advice to the committee should count for a great deal—I should like to have it.—A. I would be happy to do that.

Q. It would probably save time if you would prepare that and give a copy to each member of the committee.—A. I will be happy to do that.

Mr. MASSEY: I think that puts the witness in a very embarrassing position. He is an employee of the Radio Commission. You are asking him to give his suggestions. There is a great deal he will say, probably, in favour of the commission; but there may be some things he might say not in their favour. He would be embarrassed for fear it would be regarded as an unfair criticism of those by whom he is employed.

Mr. MARTIN: I do not think it is unfair. We asked Mr. Charlesworth the same thing.

Mr. CAMPBELL: I have had the privilege of employing men in my profession or business; and if I had a man employed by me who did not have enough ambition or initiative to come and make suggestions to me, I would soon get rid of him.

Mr. MASSEY: Yes, to you.

Mr. CAMPBELL: True. But I do not think we are placing Mr. Powell in an embarrassing position.

Mr. CHARLESWORTH: The commission has no objections.

The CHAIRMAN: I might say, Mr. Massey, that it is quite usual for the heads of the branches of all departments, when they appear before a committee—and I do not think it puts them in any kind of embarrassing position—to offer suggestions in view of their experience in the administration of that branch of the department. I am positive that the commission would approve, and I am sure the committee would.

Mr. MASSEY: Mr. Charlesworth's interruption makes it perfectly clear.

The CHAIRMAN: I think probably it would be a good thing if you did prepare some kind of memorandum Mr. Powell as to how you handle your broadcasting.

Mr. CAMPBELL: Especially the business part of it and the arranging for the broadcasts.

The WITNESS: You are speaking, primarily, as I understand it, on the business end of it?

Mr. CAMPBELL: Entirely on the business end.

Mr. MASSEY: Mr. Chairman, you do not misunderstand my objection to that?

The CHAIRMAN: No. It will not embarrass Mr. Powell.

By Mr. Massey:

Q. In the course of our deliberations this afternoon, Mr. Powell, you have under cross-examination given us the procedure which was followed during the

[Mr. Walter E. Powell.]

period of the election as far as the arrangements for national hookups were concerned; would you say there was anything unusual in the procedure which you followed?—A. Absolutely not.

Mr. MASSEY: I just wanted to make that point clear.

By Mr. McIntosh:

Q. You said last year was a very special year, and you left the impression with the committee that because it was a very special year in a business way that you were kind of at sea all the way through, did you not?—A. No, I certainly did not. This is what I had in the back of my mind——

Q. When you give us your report you ought to be able to make a special report because of that special year's business?—A. The work involved was so terrific that I spent twelve to sixteen hours a day from August right through until after the Quebec elections, holidays and Sundays included.

Q. Your business will be all the bigger, consequently your reports should be all the better?—A. That is what I had in mind. But it was unusual, the strain.

(Whereupon the committee adjourned until 11 a.m., Thursday, April 30, 1936.)

SESSION 1936

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

THURSDAY, APRIL 30, 1936

WITNESSES:

Mr. Paul Coffey, representing Young Men's Canadian Club, Montreal.

Mr. Hector Charlesworth, Chairman of the Canadian Radio Broadcasting Commission, Ottawa.

OTTAWA

J. O. PATENAUDE, I.S.O.

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1936

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,
THURSDAY, April 30, 1936.

The Special Parliamentary Committee on Radio met at 11 a.m. this day, Mr. Beaubien, the Chairman, presiding.

Members of the Committee present:—

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Cahan, Campbell, Dupuis, Edwards, Hanson, Johnston (*Bow River*), MacKenzie (*Neepawa*), McIntosh, Martin, Massey and Ryan.—14.

In Attendance as witnesses:

Mr. Paul Coffey, representing the Young Men's Canadian Club, Montreal.
Mr. Hector Charlesworth, Chairman, Canadian Radio Commission.

Present—subject to call if required:

Commissioners and officials of the Canadian Radio Commission.

Head officials of the Radio Service, Department of Marine, Ottawa.

Mr. Paul Coffey called:

Before commencing his address the witness filed with the Committee, the following:—

1. Brief from which he used extracts in his address;
2. Reports of the Y.M.C.C. for the years 1933-34, 1934-35, and 1935-36; also: copies of addresses over a National Network, arranged by the Y.M.C.C. of Montreal, delivered by the following persons:—
Hon. Ian Mackenzie, Minister of National Defence, Ottawa;
Mrs. M. L. Black, M.P., for the Yukon;
Dr. John W. Dafoe, Editor-in-Chief, *Winnipeg Free Press*;
Mr. Alan N. Longstaff, Assoc. Editor, C.N. Railways Magazine;
Dr. H. M. Tory, Honorary Director, Assn. of Canadian Clubs;
Major D. L. McKeand, Department of the Interior;
Mr. Alan E. Cameron, Professor of Metallurgy, University of Alberta;
Mr. Lawrence I. McMahon, K.S.G.;
Mr. J. Aird Nesbitt, Managing Director, J. A. Ogilvy's Limited; English and French.

After expressing the views of the Young Men's Canadian Club of Montreal from a national viewpoint, which was followed by questions from the Committee, the witness retired.

The Chairman, and the Committee generally, expressed appreciation for the address of Mr. Coffey, and for the aspirations of the organization of young men, of which he is a member.

Mr. Charlesworth called and sworn:

The examination of the witness continued until after one o'clock, whereupon, after discussion as to the next meeting, it was decided to meet to-morrow, Friday, same room, at 11 o'clock.

The witness retired subject to recall for further examination.

The Committee adjourned.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM, 375,

THURSDAY, April 30, 1936.

The Special Committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: If you will come to order, gentlemen, we shall begin. We have Mr. Coffey of the Young Men's Canadian Club of Montreal here this morning. I think it would be advisable to call Mr. Coffey first, and then he could return to Montreal at his convenience. What is the wish of the committee?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Will you come forward, Mr. Coffey? Mr. Coffey has a short brief prepared. After he is through with that, any members will be able to ask him questions.

PAUL COFFEY, called.

Mr. McINTOSH: Who does Mr. Coffey represent?

WITNESS: The Young Men's Canadian Club of Montreal.

Mr. Chairman and gentlemen, the reason we suggested that we might submit something before this committee was that, in our experience in connection with radio broadcasting through co-operation with the Canadian Radio Commission, we have learned things that we believe this committee will like to know. In 1933 we endeavoured to have a local broadcast in Montreal, but at that time we realized that authoritative speakers were not in that city. We therefore asked the Radio Commission if they would allow us the use of a line from Ottawa, so that we might be able to have members of the House of Commons and of the Civil Service address us in our club rooms in Montreal from Ottawa.

By Mr. Bertrand:

Q. Would you mind telling us what this Young Men's Club in Montreal is? I know what it is, but I would like you to tell us for the benefit of the others. —A. The Young Men's Club is, as any other Canadian club, interested in developing Canadian thought, the study of Canadian institutions and the building up of this country.

By Mr. Campbell:

Q. How many members has it?—A. Our present membership is approximately two hundred. The only difference between our Canadian club and any other Canadian club is that "young men" means that our executive committee must be men of under forty. There is no age limit in our club. We have members whose age is as high as seventy or higher.

By Mr. Bouchard:

Q. Have you any connections with any other clubs?—A. We belong to the Association of Canadian Clubs.

By Mr. Johnston:

Q. The name is a little bit misleading, is it not—your Young Men's Club—because it is just a general Canadian club?—A. It is a general Canadian club in a sense; but we believe that we have to have a distinguishing difference between the Canadian Club in Montreal and ourselves, because originally we had been the Canadian Club of Westmount. We grew so large and expanded so far beyond the borders that we had to become a Montreal club. At that particular time, as it was mainly composed of men around the age of forty, that name was adopted.

By Mr. McIntosh:

Q. Your membership consists of members of both English and French extraction, I suppose?—A. Exactly. After presenting what we proposed to do, the Radio Commission said they did not consider that we should more or less monopolize what we had suggested, and therefore asked us to put these programs on their network across the country. It has been so well received in the past three years, and in this year, that we have analyzed the fan mail, as we term it, which has been received; and from that we have certain conclusions that we would like to present.

First of all, from our fan mail we conclude that there is a definite demand from every part of this country for educational programs. From the outskirts of the western provinces, where radios are very scarce, we have letters asking for copies of our addresses, that they may be read at Homemakers' Clubs, which are composed of groups of settlers who meet at one another's homes; and permission has been asked to have them published in papers such as the local weeklies around the various districts where there are no radios.

Many letters have come from foreigners newly settled, appreciating this opportunity of acquiring more information about Canada. In fact, from Nova Scotia and also from Lytton in the west we have had separate requests to publish certain of our speeches in the Danish language so that the Danes who are in Canada might be able to get these papers in their own language and be able to acquire this information.

A large number of our correspondents are school teachers, high school students writing essays, principals of convents and colleges who desire to use our subject matter as part of their curriculums, doctors, lawyers, judges, clergymen, public officials, and deputy-ministers. Letters requesting copies of our addresses have come from such organizations as the Canadian Wheat Board, The Educational Branch of the Dominion Bureau of Statistics, the Public Archives of Canada, large departmental stores, manufacturing organizations and mining companies. We submit this statement to show that the people throughout the country are actually listening to the radio and are actually interested in educational programs, so long as they are presented in an interesting manner.

On an appended list, which I will read if necessary, we have shown the names of the communities and cities in each province from which we have received letters requesting copies of addresses. This does not cover the total number of letters, but just the various locations: From Alberta, 48; from the Yukon, 3; from British Columbia, 19; From Manitoba, 48; from Ontario, 50; from Quebec, 17; from New Brunswick, 3; from Nova Scotia, 8; from Prince Edward Island, 4.

By Mr. McIntosh:

Q. What about Saskatchewan? Have you no letters from there?—A. Yes. I am coming to that. From Saskatchewan, 59. It is higher. And from the United States, 10 various points.

[Mr. Paul Coffey.]

The CHAIRMAN: Saskatchewan has more intelligence, Mr. McIntosh.

Mr. McINTOSH: They want information.

WITNESS: I might say that our program only goes on fifteen minutes before midnight, or thirty minutes before midnight, so naturally does not get the same quantity of replies as from the west where it is on about seven-thirty or eight-thirty in the evening; and in Quebec there is the question of bilingual broadcasting. But in relation to the letters received from the French speaking people, we find that they listen to our programs very much.

By Mr. MacKenzie:

Q. Is your program entirely educational?—A. Yes, entirely.

Q. Are you going to tell us the nature of it?—A. If you desire—I have copies of the annual reports—I can give you the subjects and the speakers.

Q. You can just tell us the nature of the educational work when you come to it?—A. All right. Appended we have here the annual reports for the three years that we have enjoyed the privilege of broadcasting.

In conclusion, we believe that the people throughout the country want educational addresses on subjects showing the importance of the functions of government, the importance of the various mineral resources, agricultural resources, and on the subject of history, not just the history of the country as it built up but also the history of the various peoples in the country. They also like to hear of those things about which people very seldom hear, such as the actual work of people like we have presented, the Royal Canadian Corps, Signals. Very, very few people in the west knew of the marine safeguards of the Department of Marine. We presented that subject because we believed it was very important to the work of the country. They know very little and get very little information at the present time about the Northwest Territories, where there is considerable wealth.

In our submission we would say that we really believe there is a real necessity for the continuation of a body such as the Canadian Radio Commission. As to its set-up, that is none of our business. We believe that the function performed by that Commission throughout Canada is necessary; otherwise, the people in the outlying districts particularly will be, in the main, deprived of educational talks, and musical and dramatic presentations of high standard such as they are presently receiving. The people are eager to receive, and depend upon their radios for, enlightenment and enjoyment. This fact is more than vouchsafed for by our fan mail. Undoubtedly a more understanding appreciation of the problems of the people of one part of the country by those of another has been already promoted by the work of this Radio Commission. That is what we wish to submit.

We have here tabulated the various points throughout each of the provinces from which we have received mail. I would not care to read it unless you desire it because I know you gentlemen are busy.

By Mr. McIntosh:

Q. You did not have in your mind any idea that there was any intention on the part of any portion of Canada to have the Radio Commission discontinued, did you?—A. No. But what we would like to put before you, sir, and gentlemen, is that educational work is really wanted to a greater extent, in fact, than entertainment; particularly in the west. That is the result of the letters that have been written to us.

By Mr. Johnston:

Q. This is purely a Montreal organization. So Montreal is going to undertake, through the organization of the young people in that organization, to educate the western provinces. Is that the idea?—A. No, sir.

Q. I was just thinking along Montreal interests, you see.—A. No. We are not interested in that way; because our speakers are derived from all over the country, and are put on the national network from all over the country.

By Mr. McIntosh:

Q. In other words, as you did say, you belong to the National Association of Canadian Clubs. Consequently your aim is outstandingly national?—A. Yes.

Q. And it is imperialistic too, because the imperial idea is linked up with the national?—A. Yes.

The CHAIRMAN: I should not like any inference going out that Mr. Coffey was trying to put forward the Montreal point of view.

Mr. McINTOSH: No.

The CHAIRMAN: I do not think, Mr. Johnston, that that would be fair at this juncture; because Mr. Coffey simply said that the broadcasts of the Young Men's Canadian Club, those that he had mentioned, are really of interest to all of Canada.

Mr. JOHNSTON: My point was not of a personal nature whatever. But it just ran in my mind that it is a club or organization in Montreal.

The CHAIRMAN: Yes.

Mr. JOHNSTON: All programs that would be put on by them would be produced from Montreal.

The CHAIRMAN: Yes.

Mr. JOHNSTON: Therefore it would be natural to have the viewpoint of the east, would it not—from a national standpoint, too. I do not mean to say there that it would be of prejudice to the west, or anything like that.

Mr. McINTOSH: Not only that, but the Association of Canadian Clubs have organized associations all over the Dominion; and if there was a broadcast from Montreal that had the peculiar Montreal touch, it would be equalized by the efforts of other parts of the country.

Mr. CAMPBELL: I think we should let Mr. Coffey go ahead, and argue about it later.

The CHAIRMAN: Yes. But I did not want that inference of Mr. Johnston going to the country without correcting it.

Mr. CAMPBELL: I think you made it clear that the speakers come from all over Canada.

The CHAIRMAN: Go ahead, Mr. Coffey.

WITNESS: On that matter, I might suggest that we do not operate this on the Montreal viewpoint whatsoever. Every subject must have a direct bearing on Canada.

By Mr. McIntosh:

Q. There was nothing eminently sectional about it?—A. No.

Q. Then that is settled.—A. It must be one hundred per cent Canada. That is how we have built up the interesting and the interested audience that we have. From the letters we receive—and I have several here—educational work, even to a greater extent than entertainment, is necessary in the outlying communities.

By Mr. Ryan:

Q. Along what lines?—A. Educational work that the people can digest in a few minutes, in an interesting manner; things that possibly, if you presented them in a newspaper or in a book, they would not read.

[Mr. Paul Coffey.]

Q. Canadian history, you mean?—A. No, not Canadian history—Canada of to-day. Very few people, for instance, knew about it at the time we presented the subject of marine safeguards. Very few people actually knew about it. Nobody gets that in a Canadian history.

By Mr. McIntosh:

Q. It is really current history, then?—A. Yes. Very few people know, under present circumstances, from the letters we receive, the actual functions of the various branches of the civil service. They ask that we put on anything of that nature. They are one hundred per cent interested.

MR. BERTRAND: If you could teach the people that the civil service has the appointment of positions for the post office, you would do a great service to the members of Parliament.

WITNESS: I believe that could be done over the national radio network.

MR. BERTRAND: I think you would be doing a great service.

By Mr. Bouchard:

Q. Have you any connection whatsoever with the society for the education of adults?—A. No, sir.

MR. BERTRAND: What is that?

WITNESS: The Society for Adult Education, you mean?

MR. BOUCHARD: Yes.

WITNESS: No. We are not connected with that. Our only affiliation is with the Association of Canadian Clubs.

By Mr. McIntosh:

Q. Your objective is the upbuilding of Canadian citizenship?—A. Yes. We would like just merely to leave it clear, as we state, that the people desire educational work very much. They desire the function as set up at present to give this educational work, and they are ready to receive it.

By Mr. Bouchard:

Q. Would you be prepared to make any suggestions to the Radio Commission as to the co-ordination of clubs for adult education in the whole of the Dominion or should it be left to, say, the Empire Club, or other clubs, or should there be an affiliation of all the different educational bodies?—A. I would say that the co-ordination should be done by the Canadian Radio Commission and that it would produce a very efficient method of enlightening the people of this country.

Q. You realize that some co-ordination should be brought about?—A. Yes, sir.

Q. I am afraid that before long we will have all sorts of conflicting educational programs and people will be at a loss to understand what clubs are included in the scheme?—A. No, it must be co-ordinated by the Canadian Radio Commission. We are very, very much in favour of that.

Q. But at the same time do you realize that the Canadian Radio Commission may not be apt to judge properly of the value of any thought or lectures that should be made, and that this should be left to some educational body?—A. The education of the people just by the Radio Commission, as a commission, I do not think would be possible. They naturally would need a set-up of programs and also a set-up of advisors on the matter. There are times when I really believe it would be of real advantage to the country if the functioning government should prepare a more or less educational program on a certain matter so that the people might be prepared to understand it more fully at any

particular time. That, naturally would not be done by the government itself. Secondly, I think that the Canadian Radio Commission could do it itself, as such.

By Hon. Mr. Cahan:

Q. This started with a number of young men in Montreal who were anxious to secure information and education with regard to the country itself?—A. That is right.

Q. After that it spread to associations of Canadian clubs throughout Canada who co-operated with you?—A. That is right.

Q. You allow no subjects dealing with racial, religious or political matters?—A. No controversial subjects.

Q. But you sought to obtain leading men in Canada who had intimate personal knowledge of certain phases of the national life of Canada, who could from time to time deliver addresses over the radio?—A. That is correct, sir.

Q. With regard to that it has not, has it, so far as you know, stirred up any animosity or any adverse criticism from the Atlantic to the Pacific during the time it has functioned?—A. No, sir. I would rather say it has not stirred animosity, but they have been coming back more and more and more. I really believe, although I would not want to say it for our organization because I do not know what our situation will be at the next season with regard to the Radio Commission, but I believe from the letters that are being written they could stand educational programs every night in the week, so long as they are done in a quick, short educational manner.

By Mr. MacKenzie:

Q. You are only speaking of the discussion of national problems?—A. Yes, sir.

Q. We have in Canada in the various provinces, and have had for years educational programs put on first by the Teachers' Federation of Manitoba. I think Manitoba was the first to start?—A. Yes.

Q. And they give courses in education on various subjects?—A. Yes, I see your point, but that is in connection with a program from the teachers' angle.

Q. It is educational?—A. Yes, but what I am trying to point out is the Canadian angle.

Q. I beg your pardon?—A. Just the straight Canadian angle.

Q. You are only speaking of national problems?—A. Yes.

Q. Current events?—A. Well, current events might cover part of it.

By Mr. McIntosh:

Q. Mr. Cahan said that there was no discussion even in an educational way in regard to religious and racial problems?—A. That is right.

Q. But you could not do that. If you did that, you could not belong to the association of Canadian clubs because that principle is deeply imbedded in the association. It is forbidden?—A. Yes.

By Mr. Ryan:

Q. How much time do you have on the radio?—A. We have no time at present, we have just terminated our broadcasts of fifteen minutes every consecutive Tuesday.

Q. That is what had been allotted to you?—A. Yes, sir.

Q. Have you any suggestion to offer as to what would be a sufficient time?—A. We are not asking for time, we are just saying that most of that type of work must be carried on by the Commission.

[Mr. Paul Coffey.]

Q. What time do you think the Commission should give to it?—A. We could not even suggest that, because after all it is in the Commission's judgment as to what programs go on the air. We are submitting that educational programs are necessary on the air.

By the Chairman:

Q. Do you believe that more programs along the lines you have suggested should be included?—A. Of our type of program.

Q. And put on the air?—A. Yes, sir, of our type of program. I would not say our program. I mean possibly the Canadian Radio Commission might find a means of putting that style of program on the air.

Q. Is there any cost to your organization for these broadcasts?—A. Just our own cost in so far as the sending of speeches to various people that desire copies of them.

Q. The commission allows you that time?—A. Grants us that time.

By Mr. McIntosh:

Q. Would it help in any way to have similar broadcasts by other young men's Canadian clubs in the different parts of Canada? You are doing it from Montreal, and you think that is fine?—A. Yes.

Q. Are you making any effort towards co-ordinating a program from different parts of the country along the same lines as you are carrying out in Montreal?—A. We have endeavoured to have speakers from all over the country. Our program does not emanate only from Montreal.

Q. How do you proportion those speakers, so many per province per year?—A. No, more or less on the actual subjects of the moment. I could describe if I could see my program.

Q. Here it is.—A. These are the subjects of 1933. The original broadcast at the inaugural broadcast was made by the Honourable C. H. Cahan, at that time Secretary of State.

By Mr. Bouchard:

Q. Was that controversial?—A. No, sir.

By Mr. McIntosh:

Q. There was nothing racial or religious in that?—A. I might say at that time I was president of the club, and until I heard his speech I was pretty much discouraged. He certainly gave me a lot of encouragement.

Q. He started you on the way?—A. Yes. I might be able to point out from these subjects and the speakers the importance of this type of work. The second broadcast, which was more or less the first subject-matter, was "The Function of Government." At that time it was more or less a current event. There was a great deal of discussion as to the cost of government and too many governments, and so forth. We asked the Honourable Gordon W. Scott to speak on the function of government in order that people would realize the necessity of various governmental control.

The second speaker was Dr. Charles Camsell, whose subject was "Canada's Base Metal Industries." At that time there was a great to do about gold.

Q. He was the third speaker?—A. Yes, but the second subject-matter speaker. Dr. Camsell desired at that time to bring to the people's attention the fact that gold was not the only mineral in Canada contributing wealth. He pointed out the importance to Canadian prosperity of the value of metals at that time.

The next program was by E. J. Tarr, K.C., of Winnipeg. At that time the far eastern question was coming up, and he spoke on the subject "Canada and the Far East."

The Honourable Mr. A. Duranleau spoke on "Canada's Marine Safeguards." Very few people realized the work of the Department of Marine in the control of navigable waters throughout the country.

Then we asked Dr. C. F. Martin to speak on the achievements in the field of medicine in Canada. At that time there were two gentlemen from Toronto—one of them was Dr. Banting,—who had made some very interesting discoveries in the field of medicine, and I believe that one gentleman said in writing in to us, that we were inclined to see too far across the border and to see nothing in Canada worthwhile. So at that time we asked Dr. Martin to speak on the subject of "Some of the Achievements in the Field of Medicine in Canada."

Then coming on down we had a gentleman who had travelled by the roads across Canada and who knew Canada from the viewpoint of a new Canadian. When the subject of immigration came up, we had him speak on the subject of "A New Canadian" and his reaction to our country, so that the people might realize some of the problems that arise in the mind of a new Canadian.

By Mr. Bertrand:

Q. Was he in favour of restricted immigration or not?—A. At that time there was no immigration, but he was very much in favour of our country as compared with the one he had come from.

Q. That does not answer my question?—A. That would be more or less political. We could not enter into that.

A week later the subject was "Canada's Annual Eastern Arctic Patrol." The Department of Interior had returned from an expedition to the North. Very few people realize the work that is done when that boat goes to the North by the various investigators, doctors, and scientists who go up with it. Consequently we had that subject brought on at that time.

Later we had the subject of "The Money Muddle." That was at the time of the going off the gold standard by various countries, and what it might really mean.

The subject of naturalization was very prominent about this time, and we asked the Honourable Justice A. K. Dysart to speak on the subject of "Canadian Naturalization."

Then we asked Dr. J. W. Dafoe to speak on what he saw in the future for the young man. His subject was "Looking Forward." I know that in 1933 from my own angle, and from the angle of many other young men, it was pretty depressing, so we asked him to give us his opinion on the experience he had had.

Following that the Honourable Ian Mackenzie spoke on the subject of "Canada's Clarion Call to Youth." Three speakers have used that same subject, and we have had three different viewpoints on it. It was really an inspiration to the youth of the country who at that time had nothing to look forward to unless they knew that these depressions have happened in the past. It is pretty hard to convince a man who is down and out that that has happened.

Then we heard Sir Robert Falconer speak on the subject of "Some Phases of the Educational Life of Canada." That was the reason we chose that particular subject at the time. We did not want it to be too heavy because it happened to be Christmast Eve.

On December 31, previous to the New Year, we asked the Honourable Mr. Rhodes to speak on "Activities of the Finance Department," because at that time we considered that very few people realized the various functions of that department, and also that he might give people in a general way something to look forward to.

[Mr. Paul Coffey.]

Then we had the subject of "Some of the Activities of the Department of Railways and Canals." Very few people realize the functions of that department.

The next subject we had was at the time of the great surveys of Canada by aerial camera. The subject was "Canada Through the Eye of the Aerial Camera." Very few people in this country realize that Canada has done more surveying, using an aeroplane as a surveying machine, than any other country in the world. That statement may be changed in the last two years, but at that time we were far ahead in that matter.

Mr. BERTRAND: We have more territory to survey.

WITNESS: Possibly so. So we asked Mr. A. M. Narraway to speak to us on that subject. I might say that we had the manager of a manufacturing concern in Ontario write to us and ask where he could get further information about aviation. He said his son for three years had desired to be an aviator, and that he had always opposed it. He said, after hearing Dr. Narraway's address, "I do not think it is such a dangerous profession as it was heretofore." He said, "If you can direct me to where I can get more information, I think I will allow my son to take up the profession that he desires to take up." That is one of the things that arose out of that broadcast.

Q. That was in 1931?—A. 1934, in fact, the 14th of January.

Then we had a professor from Alberta speak on the subject of "Our Forest Fire Prevention and Control." Very few people realize the work that is undertaken in regard to forest fires in Canada.

Then we asked Dr. Barbeau to speak on "Recent Discoveries on the Origin of Our Indians." That was a subject that was being discussed at that time by one of the historical societies in Canada.

There was a subject brought up in a business magazine at that time about the orientation of the three provinces of the west. We happened to have read an article by the editor of an Alberta paper, and we asked him if he could develop it in a non-controversial manner, and he presented it in the subject "A New Orientation of the Prairie West."

To offset that in a way, we might say, we asked the Honourable Angus L. MacDonald, who had recently been elected in Nova Scotia, to speak on "Nova Scotia, Past and Present." In speaking on that subject he developed the new problem they are having or the new activities whereby certain of the fishermen can work by barter where they cannot have money. That was received very well in many points.

One of the members of the press gallery desired at that time to more or less show that members of parliament were not unapproachable, and he asked us if he would be permitted to speak on the subject of "The Human Side of Statesmanship."

By Mr. McIntosh:

Q. Did you consider that news—the unapproachability?—A. Well, we did not consider it news, but we considered that many people, due to the reports that are made in certain ways, feel that a man immediately he is conferred with an office—that that is all, you cannot go near him again. A lot of them have that idea.

The CHAIRMAN: They did not say anything about ministers, did they?—A. No. Following that, the Dominion Drama Festival was being taken up and we were not able at that time to have anyone speak on that subject, so the subject we presented was "Canadian Literature and Canadian Readers," so as to more or less stimulate at the time of the Book Week the advantages of having some thought given when people were interested in books and wishing to buy books in order to stimulate the activities of Canadian authors.

Following that we had the subject of "The Unemployment Relief Camp Movement." We asked the Honourable D. M. Sutherland to speak on that subject because a number of people did not understand exactly what the Unemployment Relief Camp Movement was.

Following that we had Dr. Beauchesne speak on "The Mechanics of Government," because very few people realized the different set-ups and processes through which bills must go through the various committees and also through the House of Commons as well as the Senate previous to assent.

Later on we had a lecture on "Mineral Developments in the Great Bear District." That was a coming mining district at the time, and we knew a professor of the University of Alberta who had just made a personal tour of the district and knew more or less what the conditions were, and he developed that subject.

Mr. MacKENZIE: That should be a sufficient indication of the programs.

WITNESS: Yes. The idea is that we are trying to keep these things that are coming up at the time before the public in a more interesting way than simply in a tabulated form. There are many men throughout this country who could not come to us, or might not be able to stop off at a small station and speak to ten or twelve people, but those ten or twelve people, possibly two hundred, might want to hear that one man, and he has the facility through this national network to be able to present this subject. That is why we say the educational program is very necessary to the people judging from the letters they have sent desiring more and more of them.

By the Chairman:

Q. Mr. Coffey, do you require more time for the educational programs which you wish to put on the air?—A. We do not.

Q. Do you think the time given is sufficient?—A. We do not require more time, no, sir.

By Mr. Campbell:

Q. You are still carrying on these broadcasts?—A. We always terminate in the summer.

By the Chairman:

Q. Do you broadcast every week?—A. Yes, sir, we do not desire more time, as such, but we do believe that there is need for more educational work of that type on the networks.

Q. Your own opinion is that the Radio Commission should allot more time for educational programs, not especially to your body?—A. Yes. We say that from the findings of the letters that have been submitted to us. That is not a criticism of the Radio Commission. We believe these people need it, and particularly from the West the various letters they write indicate that they have not the facilities that the average urban person has.

By Mr. McIntosh:

Q. Have you any idea of the numbers represented in each of the four western provinces per population unit compared to the others?—A. I think it would be higher.

Q. Pardon?—A. I believe it would be higher, but I have no records.

Q. I am inclined to think it may too.—A. It is really their only outlet, under certain conditions, in the outlying settlers' points for educational and social activities.

By Mr. Campbell:

Q. This time was donated to you by the Commission?—A. Yes, sir, granted to us.

[Mr. Paul Coffey.]

By Mr. MacKenzie:

Q. Your suggestion is that more time be given to this type of educational program?—A. Type.

Q. Only this type?—A. We are not asking for more time.

By Hon. Mr. Cahan:

Q. I suppose if more time were allotted, your association would be very glad to take advantage of it?—A. I believe we would. That would come under another function of the Canadian Radio Commission allotting time. Possibly if we got more time we would use it, but we do not plead for more time. We do plead that the necessity of educational programs is very necessary throughout the country.

By the Chairman:

Q. And you say they are well received by the people?—A. Yes, sir.

By Mr. McIntosh:

Q. I would like Mr. Coffey's idea on this question. After your broadcast, in order to drive it home and make it really effective and give it the coverage it should have, you must have the assistance of the daily and weekly press, must you not?—A. Yes. And wherever possible we make use of that.

Q. In other words, your conception of these educational programs is that there should be a combination between the Radio Commission and the press of Canada?—A. Yes, I believe, myself, once a speech was heard and taken to a newspaper, it would not get much coverage because it is not really immediate news in the sense of a squabble. I believe in the combination that after a man had given that over the radio, that if the newspapers took that and gave it wide coverage it would be of great value.

Q. Have you checked up to determine to what extent your addresses have been used in any part of the press?—A. I could not say for sure. It really depends on the speaker, that is my opinion. That is not a criticism of the press or of anyone else. I believe it depends on the speaker as to whether he will be covered to a certain extent, because I do not believe they cover these talks fully unless it happens to be a local man and a local newspaper, or a particular man in a particular position.

By the Chairman:

Q. In other words, if you have an outstanding man the newspapers will take it?—A. An outstanding man. I have in mind a speaker that we had from Alberta. That man, I know, knows his subject one hundred per cent and presented a one hundred per cent interesting subject, but I doubt that he would be covered by the eastern newspapers. That is their business.

By Mr. McIntosh:

Q. You have to leave that to each newspaper office to select its own articles, and if they make a mistake they have to pay their costs?—A. Yes. To supplement that, though it is difficult, we have arranged to mail to anyone who writes in copies of the speeches.

By the Chairman:

Q. Gratis?—A. Gratis. Some people have sent us in a postal order.

By Mr. MacKenzie:

Q. Have you a mailing list?—A. A lot of people have asked to be put on a mailing list, but we would be bankrupt in six months if we did that.

One school in Saskatchewan made it a duty on the part of the high school students, after our broadcast, to give an oral description of them. I believe that is marked on the last annual report that was made.

By Mr. McIntosh:

Q. Of course, in certain collegiates and high schools in Canada we have young people's Canadian clubs?—A. Yes.

Q. And they are doing practically the same work as you are doing only in a scholastic way?—A. Yes. We have found that with various groups of these schools throughout the country. There is one school in Saskatchewan, I am sorry I have forgotten the name of the town, and various schools throughout Manitoba who have asked for copies to be used as part of their library. This particular one wrote in and said, "We not only wish them for our libraries but all our scholars must use them as the subject matter next morning for an oral discussion on these various talks." So it shows that throughout the country these people desire information of that nature.

Q. It also shows that to be of value all these speeches must be very, very accurate?—A. Yes, sir.

Q. In putting them into the hands of the younger generation?—A. That is correct.

By Mr. MacKenzie:

Q. How extensive would you say is the demand for this sort of work, could you give us any idea?—A. I would say that from the letters, which I do not believe represent five per cent of the people who actually listen to the program, that the demand and the reception that would be accorded would be that while they may get that or a similar type of education program twice a week at the present time, they would be quite willing and anxious to have it every night of the week.

By Mr. Bertrand:

Q. Is your organization essentially an urban one or does it cover the rural districts as well?—A. Well, it covers—

Mr. CAMPBELL: Everybody that has a radio.

WITNESS: You mean our radio programs?

By Mr. Bertrand:

Q. No, your membership?—A. Our membership covers Montreal, and in many cases suburban districts where members live.

Mr. BERTRAND: Urban districts.

By Mr. McIntosh:

Q. Has any officer or member of your organization spoken at any other outstanding gatherings of Canadian clubs throughout the Dominion? In other words, have you been represented, in a speaking way, at any other point where there is a Canadian Club?—A. In a general way, I would say no, because I do not think there is any call between Canadian Clubs for that. We belong to the Association and we have members connected with the association, and actively support it.

By Hon. Mr. Cahan:

Q. Your aim is to secure men throughout Canada from all districts who have special knowledge of some particular branch, to give a short address on that matter on which they have expert knowledge and opinion?—A. That is right.

[Mr. Paul Coffey.]

By Mr. Bouchard:

Q. That would stop Canadian lecture tours, if your lectures are broadcast through the Canadian Club?—A. I do not think so, because our radio program is one hundred per cent divorced from our actual meetings. I might say, in a general way that what I am proposing and suggesting does not appeal to the urban center; that is, the larger urban center.

Mr. BOUCHARD: It would be unfortunate, in a way, because the lecturers may have as much to learn as to teach when they go on a lecture tour.

Mr. MASSEY: There is more than one shot in his gun.

WITNESS: In many cases we have arranged for our speakers to go on the radio; and after arranging for some gentleman to speak on the radio we have found that the subject was so highly interesting that we have asked him to come to the club to develop that subject.

The CHAIRMAN: If that is all the committee wish to ask, we will allow the witness to retire.

Mr. CAMPBELL: Before Mr. Coffey leaves, I feel that we should express a feeling of commendation for the efforts in leadership displayed both by himself and the officers of his club, in trying to give to the Canadian people the educational facilities which he has outlined to us.

Mr. EDWARDS: I second that.

The CHAIRMAN: That will go on the record, Mr. Campbell. Now, Mr. Charlesworth, will you kindly come forward?

Hon. Mr. CAHAN: I should like to say, Mr. Chairman, that I know this Young Men's Canadian Club. I am one of the honorary directors. Years ago I was asked by them to facilitate the organization in these addresses, and I have watched them very carefully since. There is no partisan political opinion expressed, but it is simply a general desire to give a fifteen minute address by some person who is an expert in his particular subject. I have noticed that supplementary Canadian clubs, the men's clubs, the larger clubs, will ask the same person to give a more extended address before that particular club, expanding his idea, and it has been very useful in that way in assisting the work of the men's Canadian Clubs throughout Canada. I am sure of that. You can see from the young gentleman who spoke—and I know a number of them—that they are a fine class of young men, and I think their work should be encouraged.

Some Hon. MEMBERS: Hear, hear.

Mr. MARTIN: Following out what Mr. Cahan has said, I should like to endorse every word of his remarks. I should like Mr. Coffey to go away with the idea that if his organization in Montreal could be in any way instrumental in multiplying the number of Young Men's Canadian Clubs in Canada, they would be following an objective that would be of very great and special interest to the whole Dominion.

The CHAIRMAN: I am sure the committee appreciate Mr. Coffey's brief and also his explanation. The program which he has left with the members of the committee shows that they carry on work of a very high standard, and that the Canadian people are getting a great deal of benefit from it. I am sure that the committee appreciate Mr. Coffey's coming here.

The witness retired.

Now, Mr. Charlesworth, will you come forward?

Mr. MARTIN: Mr. Charlesworth will have to be sworn, will he not?

The CHAIRMAN: It is up to the committee.

Mr. McINTOSH: We settled that the other day.

Mr. CHARLESWORTH: I have no objection.

The CHAIRMAN: I think we came to that conclusion the other day, Mr. Charlesworth.

Mr. CHARLESWORTH: No reflection intended, I presume.

Mr. MARTIN: No.

The CHAIRMAN: That was the rule we established.

Mr. CHARLESWORTH: If we had had that rule two years ago, the proceedings would have been shorter.

Mr. RYAN: The understanding as to their being sworn was that it should apply to not only what they do say but to what they have said.

HECTOR CHARLESWORTH called and sworn.

The CHAIRMAN: If Mr. Charlesworth has anything to say as to the evidence he gave before, I think it would be quite in order.

WITNESS: I do not recall anything. I did not read the reports of my testimony, but I glanced through the printed copy and I did not notice anything particularly that needed correction. I am sworn that what I said in the past is true as well; is that the idea?

By Mr. Martin:

Q. Mr. Charlesworth, Col. Steel gave evidence before this committee a few days ago and he told us of his connection with the Sage broadcasts. Have you had a chance of reading his evidence?—A. No. I did not read his evidence. The commission had no connection of any kind with the Sage broadcasts. The commission's activities in connection with the Sage broadcasts were to demand certain changes both in the sponsorship and in the type of the stuff that was being put out on the air. We knew nothing about the Sage broadcasts until after the first broadcast had been on the air.

Q. When you say the commission, you mean all members of the commission?—A. All members of the commission.

Q. We were told also that a meeting of the commission was held shortly before the election to discuss what rules should be established in connection with the political broadcasts that were likely to take place during the election. Will you tell us what took place at that conference?—A. As a matter of fact, we have had conferences in connection with—

Q. Before you continue, you do not mind my making this observation?—A. No.

Q. We are anxious to conclude as quickly as we can; and it is no reflection on you when I say that you have a tendency to give us even more explanation than we want.—A. Yes.

Q. I am not criticizing you for that; but I think we can hurry more if you will just try and make a point of answering the question and nothing else.—A. I do not recall any special conference with regard to the federal election. You see, we have had elections, since we became a commission, in every province of Canada; and we had long ago decided on certain fixed policies with regard to election broadcasting.

Q. What was the policy of the commission with regard to political broadcasting during elections?—A. The policy in connection with political broadcasting was that any party which kept the regulation, that is, that observed regulation 90—

Q. You might tell us, at this stage, what that is. You might give it to the committee so that we will have it on record.—A. Has anybody got a copy of the regulations here? Section 90 was amended by Parliament.

Mr. CAMPBELL: Mr. Charlesworth did put it on.

[Mr. Hector Charlesworth.]

Mr. MARTIN: It is on the record.

Mr. CAMPBELL: Yes.

WITNESS: It is attached here.

By Mr. Martin:

Q. It might as well be put on the record again.—A. I have it attached to a letter here. Here is the regulation as amended by Parliament. This is not the original regulation. This is regulation 90 as read in Parliament last June and passed by order in council early in August:—

No broadcasting station may broadcast any speech, printed matter, or program containing defamatory, libellous or obscene statements with regard to persons or institutions, or statements of a treasonable character or intended to promote change by unlawful means and which might lead to a breach of the peace, or any advertising matter containing false or deceptive statements.

That was the regulation.

Q. You were telling us about the policy that the commission had decided upon apart from that, with regard to political broadcasting?—A. Well, the policy with regard to political broadcasting was that any party, of the numerous new parties, that kept that regulation was entitled to use the air provided they paid for it. I do not know whether I put in the formal minute or not. There is a minute covering the conference.

Q. Is that the only policy with respect to political broadcasts that you arrived at?—A. No. In discussing that, we decided that so far as possible, especially as regards the two older parties, which were the ones which would be spending the most money—the other parties had no money to spend on network broadcasting—there should be equality between the parties.

Q. You mean equality of time?—A. No, equality of location. We could not say to one, "You have got to spend so much," and to another, "You have got to spend so much." I mean, in order that there should be no unfairness, no one party would be allowed to hog the air, so to speak. Attempts had been made in 1930 in that direction, and we were to stop that. One thing that was discussed amongst us was the allocation of time—which we took up the very first thing—on the Saturday night before the election, the last broadcasting opportunity. It was decided that each party should receive absolutely fair play; and if there was a deadlock, I should ask the representatives of the parties to draw lots on it.

Q. You were here yesterday when Mr. Powell gave evidence before this committee, and you remember he told us that several weeks ago there was owing to the Radio Commission, by a political party or by someone connected with a political party, the sum of \$21,000?—A. Yes.

Q. Can you tell us whether or not the instructions were given by you that the account in respect of that balance should be sent directly to Mr. Bennett?—A. Yes. Instructions were given by the commission and it was sent to Mr. Bennett.

Q. And it was sent to Mr. Bennett?—A. Yes.

Q. When was that?—A. It was sent to Mr. Bennett on November 9.

By Mr. McIntosh:

Q. By registered letter?—A. No. It was delivered by our accountant at his apartment in the Chateau Laurier.

By Mr. Martin:

Q. We were also told that there was still owing a balance of \$6,000. Since November when that account was sent to Mr. Bennett under orders of the com-

mission, have further statements of account in respect of the balance been sent to Mr. Bennett?—A. Yes. They have had accounts. There was a statement sent. I discussed the matter on many occasions with Mr. Finlayson, Mr. Bennett's representative. There apparently was a misunderstanding. Mr. Bennett went away and went through the Panama Canal under the impression that this matter had been settled up.

Q. I see.—A. I have no personal knowledge of the merits of the dispute in the matter. I have, however, a letter from Mr. Bennett exonerating the commission and any of its officers from any blame in connection with the misunderstanding.

Q. That letter is as of what date?—A. The letter was delivered to me just before the first meeting of the committee. There was considerable discussion upon it after the return was made to the House.

Q. Was your discussion with Mr. Finlayson last November?—A. Yes—various times.

Q. Before November?—A. No, not before November.

Q. I see.—A. The accounts were being cleared up; certain matters had to be cleared up.

Q. Was the statement of account sent to any one else other than Mr. Bennett?—A. No.

Q. Just to Mr. Bennett personally?—A. Those accounts just covered Mr. Bennett's broadcasts.

Q. Yes, I know.—A. And our instructions, as we understood them, were that the Bennett accounts were to be kept separate, and the accounts filed with Mr. Bennett.

Q. Who paid the portion that has now been paid?—A. I have been ill and I do not know. But I know a check was received, oh, a month ago, for \$15,000.

Q. Yes?—A. Which enabled us to clear off all indebtedness to the stations that was outstanding in connection with the Bennett broadcasts.

Q. If I understood you correctly, you do not know who the cheque was signed by?—A. No. The cheque would be in the hands of the comptroller of the treasury. We do not handle cash ourselves.

Mr. McINTOSH: We could have that information later.

Mr. MARTIN: Yes.

WITNESS: Oh, yes; we could have the information. You see, the cheque was sent from him to the comptroller of the treasury.

By Mr. Martin:

Q. We have also been told that the moneys owing to station CFRB were paid some day last week?—A. I do not know just when. So soon as the \$15,000 was received, the Accountancy Department got busy in sending the different moneys owing to the stations.

Q. Yes?—A. This is a very small, overworked department; and this committee has put the department to a great deal of work. The accounts would probably have been paid sooner except the department was busy in making returns for this committee.

Q. You would not suggest the committee's actions were provocative of immediate payment?—A. Oh, no. I do not think so.

Q. No?—A. If you will recall, immediately after that return was made to the House and there was some discussion, Mr. Earl Lawson made a public statement to the Canadian Press, published in every newspaper in Canada, stating that the account was not disputed, but owing to certain misunderstandings they had been delayed, and that this would be paid.

Q. Why would private stations, or a private station—speaking now of CFRB—be paid and not the telephone companies?—A. The wire companies?

Q. Yes, the wire companies.—A. Well, the wire companies receive thousands of dollars from us every month and they are not in a hurry for their money.

Q. Have they not asked for payment?—A. Their bill is before us, but they know they will be paid. They are receiving large sums from us constantly, and matters are settled up every six months or so.

Q. How long have you known Rupert Lucas?—A. I have known Rupert Lucas slightly for quite a number of years. I knew him chiefly as an amateur actor in connection with Hart House productions and various things.

Q. How did he come to be recommended to the commission?—A. Well, I do not know that he was recommended to the commission except by Percy Parker, who died the other day. But you see, as explained before the parliamentary committee of 1934, we had an operating contract with the National Carbon Company; and we used in that operation the staff of the National Carbon Company, of whom Mr. Lucas was one.

Q. Yes?—A. And then in July last the National Carbon Company abruptly decided to close out their station on the 31st of August, which would leave us without a staff for operations in Toronto just in the height of a general election. Naturally we wished to take over a part, not the whole, of the staff that had been working for this particular station when the station was due to be closed down; and Mr. Rupert Lucas who had been handling the commercial accounts for the National Carbon Company, which were handled for us also, was naturally a key man there and very useful. He was a man that we desired to continue because he knew all the business of the thing, and we were not in a position at that time to replace him with anybody else, because we could only appoint anybody up to the 31st of March last. Moreover, in the case of Mr. Lucas—you asked about the recommendation—sometime ago, I guess it would be early last summer sometime, Percy Parker, a very old friend of mine and very eminent in the Liberal party, who was a great friend of Lucas and is the brother-in-law of Reginald Stewart, met me in the National Club in Toronto and he said, "You fellows ought to get hold of that man Lucas, because he is one of the ablest, most versatile men, and there is a future for him in radio."

Q. When was that?—A. That would be about June or May last year when I was in Toronto.

Q. To make a long story short you intended to engage Mr. Lucas?—A. Yes. We always intended to engage him.

Q. When did you first intend to engage him?—A. When we found that, in order to continue in Toronto, we had to get a staff.

Q. May I suggest again that if you would answer the questions more directly, it would save time.—A. I am endeavouring to do that.

Q. I am not suggesting that you are not. But I want to try and save as much time as we can. Will you just tell us about when you intended engaging Mr. Lucas?—A. Well, we intended to engage him—

Hon. Mr. CAHAN: Just a minute.

WITNESS: —when we found we had to get a staff.

Hon. Mr. CAHAN: I think the question is improper, because no matter what intention he has personally, the engagement had to be by the treasury board, confirmed by Order in Council. So that whatever the intentions of any one member of the commission, they were purely tentative.

Mr. MARTIN: I quite agree. But I would like to know.

The CHAIRMAN: I think, Mr. Cahan, that the question could be put in this way: When did Mr. Charlesworth arrive at the conclusion that Mr. Lucas—

Mr. MARTIN: No. That is not what I would like. I would like to know when his first intention to engage Mr. Lucas was.

[Mr. Hector Charlesworth.]

WITNESS: Our first intention to continue the staff that had been employed by the National Carbon Company naturally came at the end of July when the National Carbon Company decided to close down and to dismiss their staff. We had to have a staff to carry on and Mr. Lucas was included in a group that we desired, whose services we desired.

Mr. RYAN: May I interrupt for a moment?

Mr. MARTIN: Yes.

By Mr. Ryan:

Q. I should like to ask, Mr. Charlesworth, if the fact that Mr. Parker was a Liberal influenced you in any way in appointing Mr. Lucas?—A. No.

Q. Why did you make that comment then? What was your idea in doing that?—A. I was asked when anybody recommended him. Mr. Parker was a very old personal friend of my own, who took a great interest in our station, and who was a great admirer of the work we were doing.

Q. I asked you why you suggested that he was a Liberal if it had nothing to do with you in influencing you in appointing him?—A. The fact that Mr. Parker was a Liberal?

Q. You volunteered that, did you not?—A. I just happened to mention it, the same as I mentioned that Mr. Parker was buried the other day.

Hon. Mr. CAHAN: Is it at all derogatory to Mr. Parker?

Mr. RYAN: I do not say it is derogatory to Mr. Parker, but I do say it is derogatory to the witness when he says that. It is derogatory to the witness.

By Mr. Martin:

Q. Mr. Charlesworth, when did you first learn that Rupert Lucas had taken the part of Mr. Sage in the first Sage broadcast?—A. I think it was the Friday after the first broadcast.

Q. That was before the second?—A. Before the second.

Q. When you heard that, what did you do?—A. I saw Mr. Bushnell.

Q. Who is Mr. Bushnell?—A. He is our superintendent of programs.

Q. Yes?—A. I phoned to Toronto on Saturday to say we were hoping, if they could get a meeting of the treasury board, to have the appointment of the Toronto staff ratified, and that Mr. Lucas could not continue; that we would have to withdraw the thing because it was against civil service rules.

Q. Quite, for a radio commission employee to participate in a political broadcast.—A. Yes.

Q. That was after the first broadcast?—A. After the first broadcast.

Q. And you gave Mr. Bushnell instructions to call Mr. —?—A. Maxted?

Q. Mr. Maxted.—A. I do not know who he called.

Q. Then what did you do when you found out, likely on Sunday or Monday, that Mr. Lucas had participated, in spite of these instructions, in the second broadcast?—A. I do not know whether the information was conveyed to Mr. Lucas. We had no intention of disrupting their broadcast altogether.

Q. Mr. Charlesworth, just answer my question?—A. Mr. Lucas's appointment had not gone through.

Q. That is not what I am asking you. What did you do having in mind these instructions of Saturday, when you learned after the second broadcast that Mr. Lucas had still persisted in the second one?

Mr. MASSEY: Mr. Chairman, I object to that question. Mr. Charlesworth was not in a position to instruct either Mr. Maxted or Mr. Lucas.

The CHAIRMAN: He said he had instructed Mr. Bushnell, the superintendent of programs in Toronto, to see Mr. Lucas, so he must have known.

[Mr. Hector Charlesworth.]

Mr. MASSEY: He could instruct Mr. Bushnell to see Mr. Lucas, but he could not instruct Mr. Lucas.

The CHAIRMAN: Mr. Martin asked Mr. Charlesworth, when he heard that Mr. Lucas had taken part in the first Sage broadcast, what he did, and Mr. Charlesworth answered the question by stating that he had instructed Mr. Bushnell, who is the superintendent of programs in Toronto—

Mr. CAMPBELL: In Ontario.

The CHAIRMAN: Yes, in Ontario, he had instructed him to see Mr. Lucas.

WITNESS: To call him up. Mr. Bushnell's office is almost next to mine.

The CHAIRMAN: So that Mr. Charlesworth must have had some reason for doing that.

Mr. MASSEY: But Mr. Lucas was not in a position to receive any instructions.

Mr. MARTIN: We are not here to determine the accuracy of what has been said, and I am not suggesting there is any inaccuracy, but it surely is not open to any member of the committee to question what has been said by the witness.

The CHAIRMAN: The question was asked of Mr. Charlesworth, and was answered, and Mr. Martin is asking a further question.

Mr. McINTOSH: Mr. Charlesworth can look after himself.

Mr. RYAN: I think Mr. Lucas said he was there after September 1 working with the knowledge of the Commission and taking instructions from the Commission.

By Mr. Martin:

Q. Would you answer that question?—A. What is the question?

Q. What did you do after you heard that Mr. Lucas had taken part in the second broadcast, after instructions along the line that you had given, were given to Mr. Lucas.

Hon. Mr. CAHAN: Wait a moment.

WITNESS: I do not know whether he received the instructions.

Hon. Mr. CAHAN: This witness said what instructions were given to Mr. Lucas, but he did not give any.

WITNESS: As I told Mr. Slaght the other day—

By Mr. Martin:

Q. Please do not let us get all over the field, just answer my questions, and if they are improper I will be stopped. I am being successfully stopped now. You heard that Mr. Lucas had taken part in the second broadcast?—A. Yes.

Q. Then what did you do?—A. I did not do anything. I was not interested in the actors. I was interested in the authors and the men required for the broadcast. I was not bothering about the actors at all.

Q. But you did do something after the first broadcast?—A. I did do something to notify Lucas. I told him to notify Lucas that he would have to terminate this thing because we were expecting an appointment through the Treasury Board, and he certainly could not continue in these broadcasts.

Q. When did you first meet Don Henshaw?—A. I have a most limited acquaintance with Don Henshaw. I met Don Henshaw first on Good Friday when I went up to the studios to hear a beautiful Good Friday broadcast, and I met him in my office again last August, about the 1st of August.

Q. But you knew before that time, that is, before this Calvary broadcast that you were speaking of?—A. Yes.

Q. You knew before that time that he was receiving moneys?—A. Yes.

Q. For services rendered to the Commission?—A. Yes. I heard something come over the air and I assumed he was responsible. They said it was Henshaw, and I said "fine."

Q. When did you first learn that Mr. Henshaw had had some connection with the Sage broadcasts?—A. I first learned that Henshaw had a connection with the Sage broadcasts—I was not here last week and I have not read the evidence—when I heard it from his own lips when he was sitting in this chair the other morning.

Q. That was the first time you learned he had anything to do with the Sage broadcasts?—A. My impression was that he had had nothing to do with them.

Q. But that was the first time?—A. That was the first time.

Q. When did you first learn, or may I put it this way; was yesterday the first time that you learned that he had had any connection with the Conservative party broadcast?—A. No, I knew he was in charge. He had been to see us with Mr. Gibbons and Mr. Stapells, but any discussions with him were all with regard to a network and bookings and arrangements with stations.

Q. By the way, was Mr. Lawson at that conference?—A. No, I never met Mr. Lawson throughout the whole campaign, except that I saw him in the club one day.

Q. Was Mr. Denton Massey there?—A. No, Mr. Denton Massey was not.

Q. When you saw Mr. Henshaw at this conference, was that the first time you knew that he had any connection with the political broadcasts of the Conservative party?—A. Yes, that was the first time.

Q. That was the first time?—A. Yes.

Q. By the way, when was that conference?—A. It was somewhere around the 1st of August.

Q. And that was the first time, you told us, that you knew that he had a connection with the Conservative party broadcast?—A. Yes, that he had been apparently put in charge of wire arrangements or something of that sort.

Q. How do you explain, if that is so, when you wrote to Mr. Blair, of the Immigration Department this letter of October 8 which is on file before the committee—

The CHAIRMAN: What year?

Mr. MARTIN: 1935. That you said among other things:—

In evidence of the esteem which his work has won in Toronto I should add that in the month of July he was engaged by Mr. Denton Massey to handle all network broadcasting in connection with the Conservative Party organization?

A. That was my information at the time.

Q. Then you did know before August, before that conference?—A. No, this letter was written—

Q. Just a moment, let me finish my question. You have just told us that your intimation that Mr. Henshaw was doing any broadcasting or any work for the Conservative party in respect of political broadcasts was at this conference in August?—A. Well, let me correct that. When I came back from my holidays towards July there were applications from a great many parties, and some of the applications for time were signed by Don Henshaw.

Q. Do I take it now, that you wish to revise your former answer and to say now—A. You asked me when I first met Mr. Henshaw. I did know that Henshaw had been engaged by the Conservative party before he came down with Gibbons.

Q. You knew, then, before that conference that he was engaged by the Conservative party?—A. Yes, it was just a few days previous.

Mr. MASSEY: Mr. Martin quoted from Mr. Charlesworth's letter to Mr. Blair in which Mr. Charlesworth stated that Mr. Don Henshaw had been employed by [Mr. Hector Charlesworth.]

ployed by myself to handle the broadcasts of the Conservative party. Mr. Charlesworth has just stated in evidence that that is what he heard. I may state that what he heard was absolutely incorrect.

Mr. MARTIN: Mr. Chairman, surely that is not a proper observation to make. Mr. Massey is not giving evidence. If he wishes to give evidence, that is his privilege, but he cannot take the position of contradicting the evidence of the witness unless he goes into the stand himself.

WITNESS: I was misinformed. Mr. Blair asked me for a quick report on Henshaw.

Q. May I remind you of what you said in your letter dated October 8, 1935:—

In evidence of the esteem which his work has won in Toronto, I should add that in the month of July he was engaged by Mr. Denton Massey to handle all network broadcasting in connection with the Conservative party organization.

A. Yes.

Q. Now, what was the source of your information?—A. Well, I do not know just where it was that I got the idea it was Mr. Denton Massey that had engaged him, but our information was that he was to handle all network broadcasting. I gathered that, as a matter of fact, from Mr. Stapells of the Gibbons agency.

Q. Mr. Stapells told you that he was engaged?—A. I gathered that.

Hon. Mr. CAHAN: All this indicates the folly of proceeding with indirect evidence such as is contained in the letter mentioned. This witness may give the things he knows of his own personal knowledge, but evidently the information contained in that letter was not personal knowledge, and, therefore, before we proceed to probe it further we should ask the witness if he has first-hand knowledge of the fact, and give evidence as to that.

WITNESS: I am quite willing to stand corrected.

The CHAIRMAN: Mr. Cahan, I do not see where you can get any more direct evidence from the witness in the stand than a letter written and signed by himself.

Hon. Mr. CAHAN: We have now disclosed from the evidence of the witness, that the information which he had learned was incorrect.

The CHAIRMAN: He has not said that.

Hon. Mr. CAHAN: Well, we know that a member of this committee is sitting as a member of the house, and he has a perfect right to make within his own knowledge a statement of facts within his own knowledge. Therefore, that statement having been made, until it is proven that Mr. Massey is incorrect, we should not proceed with this witness on any matter relating to that except on such information as is within his own knowledge.

Mr. MARTIN: Mr. Chairman, this witness is under oath. This witness is a well-known figure in this country, and what he says will be taken by this committee with the same reaction that the evidence of any other important personage would be taken. Mr. Massey is a member of this committee, and a very reputable member, too, but he is not on the stand, he has not taken an oath, and I do not think it is fair to this witness.

Mr. MASSEY: I have taken the oath as a Member of Parliament.

Hon. Mr. CAHAN: He is sitting here as a Member of the House of Commons, and when he makes a statement it cannot be contradicted. It must be accepted unless you are prepared to call some witness who has personal knowledge of the facts.

Mr. McINTOSH: That statement should be taken under oath just the same as any other.

Hon. Mr. CAHAN: We have stated at least once before that Mr. Massey, with regard to certain matters, is prepared to go on the stand any time he is called upon to give evidence under oath.

Mr. MARTIN: Mr. Chairman, Mr. Charlesworth has written a letter, and on the strength of that letter a very important decision was reached by the Department of Immigration. I am examining Mr. Charlesworth on the basis of that letter, and I am surely entitled to know what was the basis of Mr. Charlesworth's knowledge that in the month of July Mr. Henshaw was engaged by Mr. Denton Massey to handle all network broadcasting in connection with the Conservative party organization. If that is not true then Mr. Massey has the right of going into the stand and contradicting that. But surely he should not use his membership in this committee to contradict the evidence of a witness given under oath.

WITNESS: Well, obviously, my statement was not true, because you have Mr. Henshaw's own testimony that he was engaged by Mr. Gibbons. My impression is that I wrote that letter—

Q. That is all I want to know. That was your impression?—A. I got the impression apparently, I suppose, through the fact—it is a long time ago—that Mr. Henshaw was closely associated with Mr. Massey in connection with the York Bible Class. Mr. Henshaw is a clergyman, really, by profession.

Q. Did you know, Mr. Charlesworth, let us say in July, or had you any idea then how much money Henshaw was receiving from the Radio Commission?—A. Yes. I think we got him very cheap.

Q. I am not asking you that. Do you know how much he was being paid at that time?—A. I have a general idea because I used to see the accounts going through. I kept an eye on the accounts. I had a general idea.

Q. Did you see nothing wrong in the commission paying—I am not saying now that he was a full time employee, that is not the consideration—did you see nothing wrong in paying money to a man which came from the government, and to a man who was also engaged by one of the major political parties in this country?—A. Mr. Henshaw—

Q. Did you or did you not?—A. No more than I thought there was anything wrong in Wishart Campbell going out, one of our singers, with Mr. Hepburn, as a singer through Canada on the Liberal account.

Q. Did you sanction that also?—A. No, I was not asked to sanction it, but Mr. Wishart Campbell is back giving programs for us again. These men are free-lance men taking employment where they can.

By Mr. Campbell:

Q. On commission programs?—A. Yes, he is on for a series.

Q. Again?—A. Yes, he has been off and on.

Q. But he was not being employed at that time?—A. No, obviously. He was released at the time.

Q. No, no, he was not being employed even in July?—A. No, he could not be working for us and working for Hepburn.

Q. He was not with Mr. Hepburn at that time. Mr. Henshaw has been employed and receiving money continuously?—A. Yes.

Q. You have told us that Mr. Wishart Campbell and Mr. Henshaw are in the same category. Mr. Henshaw was receiving money—we do not need to go back right on through—each week or almost every week? He received a certain amount of money? There is practically no change all during the election period. Was Mr. Wishart Campbell an employee?—A. No, he was out on tour at that time. He is on the same basis as Henshaw.

Q. No, wait. Mr. Campbell did not leave on tour until the 1st of September?—A. I do not know when he left on tour.

Q. He was not in the employ, as I remember it, or was he at the time you are talking about Henshaw?—A. Wishart Campbell is in the position of an artist who is in and out, just as Mr. Henshaw is.

[Mr. Hector Charlesworth.]

Q. That is not what I am asking you. Henshaw, as you say, was receiving money, as your records show, almost continuously. In the evidence which he gave the other day he stated that he had a considerable amount of work to do with a number of programs?—A. Yes.

Q. Which was probably charged against one or two accounts?—A. Yes. We—

Q. Wait. Now Mr. Campbell was a singer?—A. Yes.

Q. And had nothing to do with the production of programs?—A. No.

Q. Is that correct?—A. That is quite correct.

Q. He was only engaged as a singer?—A. As a singer. We once had a prominent contact with him, but we dropped that.

Q. When was that?—A. From 1933 to 1934.

Q. But he was not an employee of the Commission, in any sense, in July of this year?—A. No, he was not doing anything at all.

Q. Then do not place him in the same position as Mr. Henshaw.—A. The mere fact an artist has worked for a political party does not make any difference to us whether we engage him or not.

Mr. CAMPBELL: But I did not want him placed in the same position.

By Hon. Mr. Cahan:

Q. Was there anything incompatible with Mr. Henshaw's engagements with you from time to time and his accepting temporary engagements with other employers?—A. Nothing whatever. He is a free-lance man with an office of his own.

The CHAIRMAN: I think this should be cleared up. I do not think we should do an injustice to any man here, and I think Mr. Wishart Campbell should not be brought into this question at all because he was not working for the Commission.

Mr. MARTIN: Mr. Campbell cleared that up.

WITNESS: I took that as an illustration.

By Mr. Martin:

Q. You stated in answer to a question to Mr. Cahan that you see no impropriety in keeping on the payroll of the Radio Commission—

Hon. Mr. CAHAN: No, no, no, let us be fair.

By Mr. Martin:

Q. —one who is on the payroll of the Radio Commission and who at the same time is on the payroll of an advertising company doing work for a political party?

Hon. Mr. CAHAN: The witness has not stated he was on the payroll. The witness has given me the impression that Henshaw was employed from time to time to do certain work for the Commission.

WITNESS: Yes.

Hon. Mr. CAHAN: With the clear understanding that he was employed from time to time to do work for other employers.

WITNESS: Yes, sir.

Hon. Mr. CAHAN: If that is so, and that is one of the terms of his engagement, then it is obvious, I think, that the witness can only say that it was not incompatible with the terms of his engagement.

Mr. MARTIN: That is surely a matter for argument.

Hon. Mr. CAHAN: It is a matter of fact.

By Mr. Bertrand:

Q. Mr. Charlesworth, you engaged Mr. Henshaw on the 17th of September as of the 1st of September?—A. No, no, Mr. Henshaw has never been in our employ.

Q. I mean Mr. Lucas?—A. Mr. Lucas, yes.

Q. Between September 1 and September 17 you must have known—

Hon. Mr. CAHAN: We are not dealing with Lucas, we are dealing with Henshaw.

By Mr. Bertrand:

Q. You must have known between September 1 and September 17 that Mr. Lucas was to be employed by the Commission?—A. I did not know anything of the kind. It was very difficult for us to get a meeting of the Treasury Board. We had no authority to pay Mr. Lucas or anybody from August 31 on. I had no authority to say they would get the Treasury Board together and appoint anybody.

By Mr. Bertrand:

Q. Why, on September 17, engage him and pay him as of September 1?—A. Well, this staff had been working continuously in the station. In the letter that Mr. Lucas produced, it shows plainly what the situation was.

By Mr. Martin:

Q. Coming back, Mr. Charlesworth, to the line of reasoning that Mr. Campbell sought to enlist, may I point out to you that Henshaw received the following moneys on the following dates: August 22, \$60; August 29, \$60; September 4 and 5, \$75; September 12, \$60; September 19, \$60; September 26, \$60; October 2 and 3, \$75; October 13, 16 and 18, \$90.—A. Yes.

Q. I am just taking that period during which the Sage broadcasts were held. Do you still wish to give the same answer in respect of a person who was receiving money from the Radio Commission and at the same time engaged in the political broadcasts of a political party?—A. Mr. Henshaw was engaged on an important sequence—

Q. Would you mind answering my question?—A. I am answering it the best way I can.

Q. Do not talk all around it.—A. I am not beating about the bush at all. I am answering it the best way I can. Mr. Henshaw was engaged on a very important series of sequences for programs. We could not disrupt our schedules and deprive the public of those programs simply because Mr. Henshaw, in the exercise of his rights as an individual, was working for the Conservative party. We might as well take the same position with others. There were a great many of our orchestral musicians that worked in the stations, who played at Liberal meetings in Toronto and played at Conservative meetings. We could have taken that same stand.

Q. I suggest if that is your opinion—that is another matter—that it was your clear duty to do it.—A. I think not. We were in no position to go to Mr. Henshaw and say, "You cannot pursue your business activities so long as you are working for us." We were not in a position to give him a permanent appointment. We are not using Mr. Henshaw now.

Mr. MASSEY: May I say that during the course of some of these political broadcasts—for instance, the broadcast from Maple Leaf Gardens the night that Mr. King spoke—the 48th Highlanders Band was employed.

Mr. MARTIN: Mr. Massey, I would—

Mr. MASSEY: Just a minute.

[Mr. Hector Charlesworth.]

Mr. MARTIN: I object. Mr. Massey, surely, is not going to insist on giving evidence. If he wants to give it, let him give it in the proper way.

Mr. MASSEY: I am not giving evidence. I am trying to clear up a very important point.

Mr. MARTIN: You are suggesting things to the witness.

The CHAIRMAN: I think we should get along much better if we allowed the witness to answer the question without making so many comments.

Mr. MASSEY: Well, what I was about to say is of importance to this committee, because there is apparently a misunderstanding. I am trying to set this right.

Mr. MARTIN: I am objecting to that, Mr. Chairman.

Mr. MASSEY: Mr. Chairman, is it not the right of any member of this committee to clear up a point on which there is a definite misunderstanding?

Mr. RYAN: You can, as a witness.

The CHAIRMAN: Let me offer a suggestion to the members of the committee. We have Mr. Charlesworth on the stand here to give evidence, and I think we should allow him to give his evidence; because if we are going to comment on every answer that Mr. Charlesworth gives we will be here for ten years and we will not get any place. I think the witness is a responsible man. He holds a responsible position, knows what he is doing, and I think we ought to allow his examination without any comment, because you can make comment on any question or answer that Mr. Charlesworth gives.

Hon. Mr. CAHAN: I agree with the tenor of your position, Mr. Chairman. But I do not say that the question is directed to ascertain from Mr. Charlesworth his personal opinion as to whether, when Mr. Henshaw is employed from time to time and paid by the commission on the clear understanding that he can take other employment, he should be allowed to take other employment. I submit that the opinion of the witness is not relevant. Firstly, the facts are there as to the nature of Mr. Henshaw's engagement; and secondly, Mr. Henshaw has said in evidence that the matters for which he was paid at these various stages was work which he had been performing over several months anterior to that date.

Mr. RYAN: I do not agree with Mr. Cahan. We are not asking this witness to give personal opinions. We are asking for his opinion in his capacity as chairman of the Commission, which is much different.

The CHAIRMAN: The question, Mr. Cahan, is very plain. Mr. Martin has read from the records the amounts of money that Mr. Henshaw has been paid by the commission.

Hon. Mr. CAHAN: Yes.

The CHAIRMAN: During a certain period.

Hon. Mr. CAHAN: Yes.

The CHAIRMAN: Mr. Martin is asking Mr. Charlesworth if, in his opinion, it is proper for a man who has drawn that amount of money from the commission to take part in political broadcasts; and Mr. Charlesworth, I think, should answer.

Hon. Mr. CAHAN: The answer to that has been given both by Henshaw, a witness on oath, and by this witness on oath, namely, that in his employment by the commission he was employed to do work from time to time over months, and paid for what he did; and that in the term of his engagement by the commission, he was entitled to take such work from other sources, political, mercantile or otherwise.

The CHAIRMAN: I think the question is quite proper. Mr. Charlesworth can say yes or no.

Mr. RYAN: Probably he will take the statement of Mr. Cahan as his answer.

WITNESS: I say it was quite proper. If we were to lay down a rule—

By the Chairman:

Q. Will you please answer the question, Mr. Charlesworth? Mr. Martin has asked you one question.—A. What is it?

Q. Do you think it is proper for a man that has received that amount of money from the radio commission, to take an active part in political broadcasts, and you knowing that he is taking that active part?—A. I think it is proper for him to take other legitimate employment, provided it is not dishonest employment; under the circumstances, if a man is a free-lance.

By Mr. Martin:

Q. Let us pursue the matter from another angle. What was your written conclusion about the character of the Sage broadcasts?—A. You had better let me tell about my knowledge of the Sage broadcasts.

Q. I am asking you a question. After I have finished, you can give your explanation. But I think you must answer my question, Mr. Charlesworth. I am asking you what your written estimate was of the character of the Sage broadcasts?—A. My written estimate was, briefly, that they were tripe.

Q. That they were tripe?—A. Yes.

Q. Your written estimate also was, was it not, that at least a portion of these broadcasts were defamatory?—A. I will read you, if you like, a letter I wrote to Mr. Stapells.

Q. Yes?—A. This is after the second broadcast. But I think it is fair to myself to tell you that neither myself nor anybody connected with the commission, as stated in the letter I wrote to Mr. Howe, knew anything of the nature of this broadcast.

Q. We understand all that. Just answer the question.—A. My first knowledge of it was when I saw in the morning papers, "Conservative party broadcast; meet Mr. Sage."

Q. Yes?—A. Mr. Stapells was talking to us about other matters in the afternoon on the day of the first broadcast. I said, "What is this Mr. Sage thing you have got?" He said, "I wish you would listen in to-night."

Q. Please just answer the question.—A. To explain this letter I have got to tell you what my knowledge of this thing is and how it came about. At that time I was very busy. I had a phone on my bed and a radio beside the bed and was working at night listening to things. I did hear the first two or three minutes of that first Sage broadcast. You have the text. It was quite harmless—about the reasons for the election. The delay in the election had caused me enough bother and worry, and I just turned it off. I thought it was all right. I learned nothing that there had been anything objectionable—the elevator man and taxi men said they had heard the Sage broadcasts—

Q. Mr. Charlesworth, I have asked you a simple question.—A. I am giving you the answer.

Q. You are taking a long time to give it to us.—A. Well, I have got to put my position clearly.

Q. All that has not any bearing on the question at all.—A. I think it has a great deal of bearing. You were asking what the commission did about this thing. I learned nothing until the following Wednesday.

By Mr. McIntosh:

Q. You did not hear all the Sage program?—A. No. I did not hear anything but the first of it.

Q. The first part was not tripe?—A. It was tripe, but it was harmless stuff.

[Mr. Hector Charlesworth.]

Q. I see. It is on the border line.—A. I learned on the following Wednesday from Mr. Wayling that there was some feeling over it in the west; and Mr. Norman Lambert rang me up and asked me if I had heard it. I said no.

By Hon. Mr. Cahan:

Q. Who is Mr. Norman Lambert? Is he one of your employees?—A. Mr. Lambert is secretary of the Liberal Association. He is a very old friend of mine. He is secretary of the national Liberal Association. He said he had not heard it, but that he had been informed it was very objectionable and asked me to look into it. I got hold of a copy of the Manitoba Free Press. Nobody had heard it apparently in Ottawa who could give me a clear account of it. It attracted no attention here. I got hold of a copy of the Manitoba Free Press which did go into detail. On the Saturday morning of the second broadcast I called Mr. Stapells at Toronto, whom I assumed was the real author of the thing, and I told him that this stuff not merely had to be sponsored by the Conservative party itself, or properly sponsored, but that the objectionable personalities had to be removed from it altogether; while there might be no regulation exactly covering it, that the objectionable personalities had to be removed.

By Mr. McIntosh:

Q. That was after the second broadcast?—A. That is the morning of the second broadcast.

By Mr. Dupuis:

Q. Did you ever put that in writing?—A. Yes.

The CHAIRMAN: He is going to read it in a minute.

WITNESS: Then Mr. Stapells promised me that there would be no defamatory matter in the second broadcast. That is the one that Mr. Bennett heard, according to the evidence. I did not know he had heard it until he read the evidence.

Hon. Mr. CAHAN: There is no evidence yet that he heard it.

WITNESS: I know—we will set that aside. But there were in that second broadcast, which I listened to carefully, allusions which I considered very objectionable. Then on the Monday I wrote to Mr. Stapells, after hearing that second broadcast.

By Mr. McIntosh:

Q. You did not hear all the second broadcast?—A. I heard all the second broadcast.

Q. You did not hear all the first?—A. I did not hear anything of the first except the page explaining about the election.

Q. If you had heard all the first, you might have taken action to stop them before you really did?—A. Yes. Of course, the harm was done.

Hon. Mr. CAHAN: Has any person got a copy of that second one which we are now going into? I should like to see it.

WITNESS: I have not been able to secure a copy, but I remember the thing that I objected to.

Hon. Mr. CAHAN: I thought we were to have copies of all those broadcasts; that is, the members of the committee.

The CHAIRMAN: I might state that we asked J. J. Gibbons to come before this committee and bring copies of these, the script.

Hon. Mr. CAHAN: But we have not got them.

The CHAIRMAN: Mr. Gibbons could not come. Then we asked Mr. Wright, and they are both in Winnipeg.

Hon. Mr. CAHAN: I thought perhaps these copies were going to be distributed.

The CHAIRMAN: I have some copies here.

Hon. Mr. CAHAN: Have you the second one?

WITNESS: No. The one I filed was the first one, which I secured when I found that this matter was attracting attention.

Hon. Mr. CAHAN: I have not seen that.

WITNESS: The letter I wrote on September 16 was an intimate letter, because Mr. Stapells is a man I have known for many years. It started off "My dear Dick" and reads as follows:—

Thank you very much for your letter with regard to Mr. Powell, which I am passing to the other commissioners and which is certainly well deserved.

He was praising Mr. Powell for his diligence.

Now as to the "Meet Mr. Sage" broadcast; I must confess I am in a troubled state of mind over the whole tone of this broadcast. Yesterday I was at a large tea for the statisticians from various parts of the world who are assembled at Ottawa and ran into a group of Conservatives, not Liberals, who were very censorious as to the tone of this broadcast. One of them, very closely associated with the Acting Prime Minister and a personal friend of Mr. Bennett, asked me why I allowed such tripe on the air. I do not think this was an entirely fair criticism because the sections of the broadcast on Saturday night which dealt with the hardships people had to go through in early days were, I thought, excellent. What apparently gave offence were the personalities and innuendos with regard to Mr. King. The allusion to his not having gone to the war was in their eyes especially uncalled for and offensive. You will recall that this issue was one of the conceptions of the late—

I am not going to name the man I mentioned there, because he is dead now.—and never, so far as I am aware, got the Conservatives anywhere. Down in Ottawa people are well aware that during the war Mr. King was the sole support of a blind father, a dying mother, and a brother suffering from tuberculosis, and that if any man had a good excuse for not going to the war it was he. Generally the tone of the allusions to Mr. King was in entire contrast to the urbane utterances of Mr. Bennett himself less than an hour previously.

In the earlier broadcast on the night of September 7 an allusion was made to Mr. King's attitude with special reference to Quebec which I did not happen to hear, but it so annoyed certain Liberals that I indirectly learned they sought advice of counsel as to whether it was actionable on the ground of defamation.

It seems to me that if these broadcasts are to be continued they should be left on a purely argumentative basis and personal wise cracks at the expense of the Liberal leader should be left out. I am glad that a sponsor was named which furnishes an answer to the misconception that this broadcast is a Commission feature, but I must also request that in advertising "Meet Mr. Sage," it be clearly stated that it is under the auspices of the Conservative Party Organization.

Of course it is at all times difficult to keep personalities off the air during an election campaign, but as a government Commission our posi-

[Mr. Hector Charlesworth.]

tion is peculiarly delicate in the case broadcasts by the party in power. I trust you will take these criticisms in the spirit in which they are written, and let me again assure you that they reflect the point of view of some very intelligent citizens in Ottawa.

With kind regards, I am,

Sincerely yours,

By Mr. Martin:

Q. That represents pretty well, Mr. Charlesworth, your feeling about the broadcast?—A. Yes, that was my feeling.

Q. And in spite of that severe condemnation of those broadcasts by you, you still persist in the view that you see nothing wrong in sanctioning payment of moneys from the Radio Commission to one who was at the same time engaged in those broadcasts?—A. I had no knowledge of Mr. Henshaw's connection. Mr. Henshaw thought it was most contemptuous, with regard to those broadcasts, if you had allowed him to go on and tell it.

Q. You knew Mr. Henshaw was engaged by the J. J. Gibbons Company?—A. I did not know exactly the terms of the engagement till he told us the other day.

Q. But before these broadcasts took place a conference took place in your office?—A. Yes.

Q. With representatives of the Gibbons Company and Mr. Henshaw arranging for the Conservative party broadcasts?—A. Arranging for network arrangements.

Q. And in spite of that condemnation given in that letter, do you still wish to persist in the view enunciated by Mr. Cahan and later supported by yourself?—A. The broadcast as it came out of the copy rooms of the J. J. Gibbons agency was written by Mr. Wright and was supervised by Mr. Stapells.

Q. How do you know it was written by Mr. Wright?—A. It was sworn to by Mr. Henshaw the other day, and I was so informed. I had demanded of them that they give a sponsor on the Saturday morning of the second broadcast. I said the Conservative party should sponsor this thing, but I did not say for that reason that personalities could continue, but the thing should be sponsored by the Conservative party. So he said, "Well, what do you mean by sponsors? We cannot say this is sponsored by the Conservative party because the Conservative party has not seen it to approve it." He said, "How would the J. J. Gibbons Company Limited do as sponsors?" I said, "That is all right, because everybody knows." I said, "That would do because everybody knows you have always been for the past ten years doing work for the Conservative party." But I did not know the name Wright. Much to my surprise that night I found it was sponsored by the man named Wright. Then I made enquiries as to who Wright was, and I found he was head of the copy department, I believe, of the Gibbons agency, and was supposed to be the author of the text. Wright, I understand, is an Englishman, and a good many of the jibes must have been furnished by some political party.

Hon. Mr. CAHAN: Why draw that inference? Mr. Wright is going to give his evidence. Why should you go that far?

WITNESS: I apologize.

By Mr. Dupuis:

Q. Did you receive an answer to that letter?—A. No, I do not think I received an answer. You see, I was in constant long distance telephone communication with the heads of both party organizations in Toronto, and I think Stapells promised after that that it was cleaned up. The last four broadcasts were absolutely inoffensive.

Mr. MARTIN: That is a matter for argument.

By Mr. Massey:

Q. Mr. Charlesworth, on April 23rd Mr. Maxted was a witness before this committee, and in connection with his employment with the commission he was asked the following questions:

By Hon. Mr. Cahan:

Q. You will supply the date, or perhaps the letter, or copy of the letter—

A. I shall be glad to.

Q. —on which you were employed?

A. Yes, I shall be pleased to.

By Mr. McIntosh:

Q. The date may not be September 15th?

A. It may not.

Hon. Mr. CAHAN: The letter will speak for itself.

WITNESS: But as far as carrying on the duties during that time is concerned, if that question is with a view to finding out if I am responsible for what was done during that time why certainly I was.

By Mr. Massey:

Q. On what basis, Mr. Maxted? Did you have any assurance that it was coming through?

A. No, none at all.

Q. Out of the goodness of your heart you were carrying on the job?

A. It is rather a nice way of putting it sir; that is what I was doing. Is that correct?—A. That is correct.

By the Chairman:

Q. That is, that he was carrying on for the commission just because he was a good-hearted man?—A. Yes. We have sometimes had people carry on for two or three months.

By Mr. Massey:

Q. Then on Friday, April 24, when Mr. Lucas was giving evidence before this committee he was asked the following questions:—

By Mr. Massey:

Q. You were Mr. Sage for the broadcast of September 7, and also the broadcast of September 14—A. Yes.

Q. On the 17th of September you received your appointment?—A. On the 18th.

Hon. Mr. MacKENZIE: The letter was written on the 17th.

By Mr. Massey:

Q. On the 18th you received your appointment. You took part in no Sage broadcasts subsequent to receiving the appointment?—A. After that, no.

Is that correct?—A. That is correct.

By the Chairman:

Q. Have you many men in the employ of the Radio Commission who are as kind-hearted as that?—A. Some of our employees have had to wait over four months for their salaries on technicalities raised about an appointment.

[Mr. Hector Charlesworth.]

Q. But they knew they were going to get them?—A. They lived in hope. I cannot go into the whole detail of red tape in the city of Ottawa, but it is—

By Mr. McIntosh:

Q. You admit that you simply heard the first part of the first Sage program?—A. I did not even hear the first part. I heard two minutes of it.

Q. My point was it is too bad you did not hear a little more, and if you had what would have happened?—A. I went sound asleep, as a matter of fact, and when I woke up there was a jazz band playing.

Whereupon the committee adjourned until 11.00 o'clock a.m., Friday, May 1, 1936.

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SESSION 1936

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

MONDAY, MAY 4, 1936

WITNESSES:

- Mr. John J. Gibbons, of J. J. Gibbons Limited, Advertising Agency, Bay Street, Toronto
- Mr. Roderic L. Wright, Director of Research, employed by J. J. Gibbons Limited, Toronto
- Lt.-Col. W. A. Steel, Commissioner, Canadian Radio Commission, Ottawa
- Mr. W. R. Mortimer, Accounts Branch, Canadian Radio Commission, Ottawa
- Lt.-Col. R. P. Landry, Secretary of the Canadian Radio Commission, Ottawa

OTTAWA

J. O. PATENAUDE, I.S.O.,

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1936



ORDERS OF REFERENCE

MONDAY, May 4, 1936.

Ordered,—That the quorum of the said committee be reduced from twelve to nine members.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORTS OF THE COMMITTEE

THURSDAY, April 23, 1936.

First Report

The special committee appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof, begs leave to present the following as a

FIRST REPORT

Your committee recommends that it be granted leave to sit while the House is sitting.

All of which is respectfully submitted.

A. L. BEAUBIEN,
Chairman.

MONDAY, May 4, 1936.

Second Report

The special committee appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof, begs leave to present the following as a

SECOND REPORT

In order to facilitate the work of your committee by providing a more assured continuity of meetings during the future period of the inquiry, your committee recommends that its quorum be reduced from twelve to nine members.

All of which is respectfully submitted.

A. L. BEAUBIEN,
Chairman.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375.

MONDAY, May 4, 1936.

MORNING SITTING

The Special Parliamentary Committee on Radio met at 11 o'clock this day, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present:—

Messieurs: Beaubien, Bouchard, Cahan, Campbell, Cochrane, Hanson, Johnston (*Bow River*), MacKenzie (*Neepawa*), Mackenzie (*Vancouver Centre*), McIntosh, Martin, Massey, Ryan and Woodsworth—14.

In Attendance as Witnesses:

Mr. J. J. Gibbons, of J. J. Gibbons Limited, Advertising Agency, 159 Bay Street, Toronto.

Mr. R. L. Wright, Director of Research, employee of J. J. Gibbons Limited, Toronto.

Mr. Hector Charlesworth, Chairman of the Canadian Radio Commission.

Present, subject to call or inquiry:

Commissioners and officials of the Canadian Radio Commission.

Head officials of the Radio Service, Department of Marine.

On a motion by Hon. Mr. Mackenzie, seconded by Mr. McIntosh, it was resolved: "That this Committee record our deep sympathy at the loss of one of our members—Mr. Plunkett, late Member for Victoria; and that this Committee extend our profound sympathy to the relatives of our late colleague, Mr. Plunkett, and that in recording this resolution we might stand for a moment." (The Committee stood in silence.)

The Secretary of the Radio Commission filed with the Committee 5 additional sheets Studio Program Log of Station CRCT and 2 sheets Log of Station CKNC (Filed as part of Exhibit No. 21).

Mr. McIntosh called attention to an error in the proceedings of evidence whereby certain remarks made by himself were reported as being made by Mr. Martin (see evidence this day for detail).

Mr. John J. Gibbons called and sworn:

The Witness was examined by Mr. Martin, Mr. Campbell, Mr. McIntosh, Mr. Ryan, and other members of the Committee. Hon. Mr. Cahan and Mr. Massey joined frequently in the discussion during the examination.

The Witness filed with the Committee, a statement of disbursements to the different participants in connection with the production of the "Sage" broadcasts. (Filed as Exhibit No. 27.)

Witness retired.

Mr. R. L. Wright called and sworn:

Witness examined by the same members which participated in the examination of the previous witness, and retired.

Mr. Charlesworth recalled:

Before continuing the examination of the witness, the Chairman read a letter from Mr. Paul Coffey of the Young Men's Canadian Club, Montreal, addressed to Col. Landry, Secretary of the Commission, in which he called attention to errors in punctuation in the brief which he had submitted to the Committee on April 30th last, and desired to substitute a corrected copy, if agreeable to the Committee.

By general consent the substitute copy was read into the record.

Mr. Campbell moved that all cheques paid to Mr. Wishart Campbell by the Radio Commission for the last fiscal year, be produced. That same be filed with the Secretary. Carried.

Examination of Mr. Charlesworth continued. Witness requested permission to submit certain views of his own, as to political broadcasts.

Decided he should submit same in the form of a brief.

Witness retired.

The Committee adjourned to meet again at 4 p.m.

AFTERNOON SITTING

The Committee resumed at 4 o'clock, the Chairman presiding.

Members present: Messieurs Beaubien, Bouchard, Campbell, Hanson, MacKenzie (*Neepawa*), McIntosh, Martin, Massey and Ryan—9.

Lt. Col. W. Arthur Steel called and sworn: The witness promised to file with the Committee a contract made with the Canadian National Carbon Company for use of studios, in 1933. Witness examined and retired.

Mr. W. R. Mortimer called and sworn: Witness examined at some length and retired.

Lt. Col. R. P. Landry called to make explanation respecting certain telephone calls.

After some discussion the Committee adjourned to meet again to-morrow—Tuesday—at 11 a.m., Room 375.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 268.

May 4, 1936.

The special committee appointed to inquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 11 a.m., the chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, will you kindly come to order.

Hon. Mr. MACKENZIE: Before we commence with the proceedings of the committee this morning I think it would be very appropriate if this committee would record our deep sympathy at the loss of one of our members, Mr. Plunkett, the late member for Victoria. I would also like to move that this committee extend our profound sympathy to the relatives of our late colleague, Mr. Plunkett, and if someone would kindly second my resolution we might stand for a moment.

Mr. McINTOSH: I take pleasure in seconding the resolution so ably moved by Mr. Mackenzie.

(The committee stood in silence.)

The CHAIRMAN: Gentlemen, someone of the Radio Commission handed to me four logs of the Sage broadcast which were not presented before. They will be here with the rest of the records. I am informed that Mr. J. J. Gibbons and Mr. R. L. Wright are in the room this morning. When the committee rose at our last meeting Mr. Charlesworth was still on the stand. Is it the pleasure of the committee that Mr. Charlesworth be recalled? Mr. Martin you were examining Mr. Charlesworth.

Hon. Mr. CAHAN: Mr. Charlesworth is always available.

The CHAIRMAN: He was last on the stand.

Hon. Mr. CAHAN: Quite so, but he is always available.

The CHAIRMAN: I was wondering if the committee wanted him first.

Mr. MARTIN: Take Mr. Cahan's suggestion and call Mr. Gibbons.

Mr. McINTOSH: May I make a correction in the report of this committee dated April 30th on page 233, when Mr. Paul Coffey was giving his evidence. After a statement by Mr. Cahan and another statement "hear, hear" by somebody else, the next paragraph is under the name of Mr. Martin; it should be under my name. The statement is as follows:—

Following out what Mr. Cahan has said, I should like to endorse every word of his remarks. I should like Mr. Coffey to go away with the idea that if his organization in Montreal could be in any way instrumental in multiplying the number of Young Men's Canadian Clubs in Canada, they would be following an objective that would be of a very great and special interest to the whole Dominion.

JOHN J. GIBBONS, sworn.

By Mr. Martin:

Q. Mr. Gibbons, have you the script of the Sage broadcasts?—A. No, sir, I could not find them. I telegraphed from Winnipeg for them to be sent here, and we have not got them in the office. We practically never keep them. We reproduced the first one.

The CHAIRMAN: Mr. Gibbons, I will ask you to speak a little louder. The reporters have difficulty in hearing you.

WITNESS: The first script we issued about 25 or 26 copies, but the subsequent ones were simply manuscript in typewritten form and we have not got them because at that time we did not think they were important.

By Mr. Martin:

Q. I see. You were not instructed by any of the officers of the Radio Commission in Ottawa or Toronto to keep them?—A. No, sir.

Q. We have had someone who said—I think Mr. Maxted—that they were in your possession at the present time. So he is incorrect when he says that.—A. Quite. I think he is mistaken.

Q. They would be in your possession within the past two weeks wouldn't they?—A. No, sir.

Q. When did you last see them?—A. The latter part of last year. I have not seen them this year.

Q. Did you know or did you not know if they were in your possession, let us say, in the month of February of this year—in the possession of your company?—A. They may have been in the vault. I do not know that.

Q. They are not there now?—A. I have just come from Winnipeg now and I wired for everything to be sent here and they wired me they could not find the script.

Q. Who wired you?—A. Mr. Stappels.

Q. Are you a member of the Gibbons company?—A. Yes, sir.

Q. And I see from a statement you made in the press on Friday that you wish to take full responsibility for this whole matter?—A. Yes, sir.

Q. Have you had an opportunity of seeing a statement made by Mr. Earl Lawson in the House of Commons of this year?—A. Yes.

Q. And in spite of that statement you wish to maintain the statement you made the other day in Winnipeg?—A. Yes, sir. Pardon me, may I put it this way. I am quite willing to take all the responsibility and the onus of it because as near as I can figure, reading from the newspapers, a lot of people were being worried about this who are in my employ, and I thought it was only proper and fair that I should take the responsibility as their employer.

Q. Yes. Now, who is Mr. R. L. Wright?—A. He is head of my research department.

Q. He is head of your research department. How long has he been with you?—A. Oh, about three years.

Q. He is not a writer; he does not do much writing?—A. Quite a bit.

Q. But did he write the Sage broadcasts?—A. Yes.

Q. Every one of them?—A. Well, I will say yes, generally speaking, but we have a system whereby we produce an advertisement and then we get four or five of our people to sit around the table and each one contributes a little to it.

Q. Is it fair to say that all the writing and all the ideas involved in the Sage broadcasts come from people who are in the employ of the J. J. Gibbons company?—A. Yes, sir.

Q. And how many people other than your company saw the scripts before they were actually used over the air?—A. Not more than five at the outside.

Q. Was Mr. Lawson one of them?—A. No, sir. He saw the first one.

Q. When you say—Who were the others?—A. Mr. Wright, Mr. Stappels, Mr. Brooker and myself.

Q. And when you say Mr. Lawson saw the first one, did you send him a copy or did you read it together?—A. I ran over it with him. I was trying to sell some advertising and I ran over this first outline.

Q. You gave him an idea what you were going to do on the Sage broadcasts?—A. Yes, sir.

[Mr. John J. Gibbons.]

Q. What you anticipated for them?—A. Yes, sir. May I correct that. We did not know what we were going to say. We started off to follow the speeches of the week, and we were going to answer them or try to answer them, and, therefore, I could not anticipate at the first one what we would be saying in the sixth.

Q. You gave him pretty much of an idea what you were going to have there?—A. Yes.

Q. Would you say it was satisfactory?—A. I do not know.

Q. He did not disapprove of it?—A. He did not disapprove of it.

Q. And who paid for your services in connection with those broadcasts?—

A. Mr. Lawson.

Q. Mr. Lawson?—A. Yes, sir.

Q. There is no question they were Conservative party broadcasts?—

A. Quite.

Q. There is no question about it?—A. No question about it.

Q. Who would pay for the advertisement of these broadcasts in the paper?

—A. I would.

Q. You would?—A. Yes, sir.

Q. Now, I have before me here, Mr. Gibbons, a copy of the ad which was in the papers which are available to any member of the committee. It appeared in the following papers, I know, possibly in more. You have them here?—A. I think I have been here.

Q. Give me the one, for instance, in the Toronto Star of September 7th?

—A. Was that a Sage broadcast?

Q. Yes, I am referring to the Sage broadcast.—A. I do not think I have that.

Q. You have not got them?—A. I will tell the committee why: I just got it this morning, and I haven't had it long.

Q. Perhaps I could use my own and if I am wrong you can tell me about it. I have here a copy of an advertisement which appeared in the Toronto Star of Saturday, September 7th, 1935.—A. Pardon me, here it is.

Q. It reads:—

Radio to-night. Introducing Mr. Sage, a shrewd observer who sees through the pretences, knows the facts, understands the true issues of the present political campaign and discusses the election with his friends. CFRB, CKCL, Toronto and over a nation wide network, 11.15 p.m. daylight saving time, 10.15 p.m. eastern standard time.

Now that is not the first bit of political advertising you have done, is it? You have done quite a bit?—A. Quite considerably, yes.

Q. You know, of course, Mr. Gibbons, that all political advertising has to be sponsored?—A. Yes, sir.

Q. And this is not sponsored?—A. No, sir.

Q. The same advertisement appeared in all the Toronto papers and in the two Ottawa papers?—A. Yes, sir.

Q. Possibly in others, but definitely in those?—A. Right.

Q. Why was that one not sponsored?—A. If I may put it, sir, definitely, it was what we thought a smart piece of advertising.

Q. In other words, you did not want the public to know that it was sponsored by any political party?—A. Quite.

Q. Although it was sponsored by a political party?—A. Yes, sir.

Q. We come now to the next broadcast, on September 14, and just so that we will be accurate we will refer to your copy.—A. Is it for September 21 or 14?

Q. September 14.—A. This may be the 14th.

Q. Anyhow, the advertisement in the same papers, particularly in the Ottawa papers, is the same and again there is no sponsor?—A. Right.

Q. Again would you say it was a smart trick, and that you were trying to pass this off as an objective statement on the part of someone who was not sponsored by a political party? That was your idea?—A. Yes, sir.

Q. In connection with the one on September 21, I see it is presented and sponsored by R. L. Wright?—A. Yes.

Q. Presented and sponsored by R. L. Wright, a representative of your company?—A. Yes.

Q. Will you tell us how you came to have a sponsor for your third broadcast when you did not have a sponsor for the first two broadcasts?—A. The Radio Commission objected to our not having a sponsor and threatened to put us off the air if we did not.

Q. Just tell us exactly what the Radio Commission told you that you must do?—A. I did not carry on the conversation with the Radio Commission.

Q. But you know what happened?—A. Yes. They said it had to be sponsored.

Q. Did they say it had to be sponsored by the person who was actually sponsoring it?—A. No.

Q. Or by anybody?—A. They said it had to be sponsored, somebody had to assume the responsibility for what was put on the air.

Q. That is all they said?—A. That is so.

Q. They did not say it had to be sponsored by the Conservative party?—A. Not at that time.

Q. Did they ever say it had to be sponsored by the Conservative party?—A. About two days later.

Q. Then what did you do two days later?—A. We put in the Conservatives. We had it sponsored by R. L. Wright on behalf of a group of Conservatives.

Q. Will you show me where it says Mr. R. L. Wright on behalf of a group of Conservatives?—A. I do not think I have it, but it must be on the broadcast of October 11th. Maybe somebody has it here. It would be an advertisement.

Q. Have you the Ottawa Journal of October 11?—A. I am sorry, I just came in from Winnipeg and have not all the papers.

Q. Have you your copy of October 11 of the Toronto Star?—A. No, I only have the 6th.

Q. What would you say if I told you that upon examination of the Toronto Star for that date I find the last broadcast was not sponsored by anybody?—A. That would be a mistake.

Q. How do you mean a mistake?—A. An error on the part of that individual paper, because we were simply doing what the Radio Commission was telling, that we had to identify it with the Conservative party, and if my memory serves me right—that is what I have to depend on—

Q. What happened in the second last broadcast, was that sponsored by R. L. Wright on behalf of a group of Conservatives?—A. No, sir, just R. L. Wright.

Mr. CHARLESWORTH: Mr. Chairman, if I may interrupt, the first broadcast under the sponsorship of the Conservative party—I know nothing about the advertisements—was on September 28. I was in Toronto to see that that was carried out. I know nothing about your advertisements.

WITNESS: The advertising started on the 21st. The sponsorship in the advertising was on the 21st.

By Mr. Martin:

Q. That is by Mr. Wright?—A. Yes.

Q. I have before me a copy of the advertisement which appeared in the Toronto Star on September 28, presented and sponsored by R. L. Wright. Was that after the commission told you to use the Conservative party as a sponsor?—A. No, I could not say as to the exact date.

[Mr. John J. Gibbons.]

Q. Then again on October 5 in all the Toronto papers and Ottawa papers it shows it was presented and sponsored by R. L. Wright. What do you say about that, Mr. Gibbons?—A. Well, it seems to me as if I have made a mistake somewhere. May I put it this way; that we certainly did associate Mr. Wright with a group of Conservatives, and Mr. Charlesworth's remark might mean that we put that on the air rather than in our advertising.

Q. Did you have any particular reason for not mentioning it in your advertising?—A. No. At the time we put it in the advertising, the others were all prepared ahead of time and put into plates and sent out.

Q. You have told us quite frankly that that was a trick and you did not want the public to know the Conservative party was putting it on?—A. We wanted to get as many people to listen to it as we could.

By Mr. Campbell:

Q. Did you think they would not listen if you did?

By the Chairman:

Q. You stated it was sponsored by the Conservative party, do you mean to infer that you would not have had as many listeners if that had been known?—A. Quite.

By Mr. Martin:

Q. Did you have any conversation with officials of the Radio Commission or Mr. Charlesworth directly in connection with the advertisements?—A. No, sir.

Q. Or in respect to sponsorship?—A. No, sir.

Q. You instructed Mr. Stapells to complain to Mr. Charlesworth?—A. No, it was Mr. Charlesworth that got in touch with Mr. Stapells on the long-distance phone to insist that these broadcasts must be sponsored.

Q. But in any event, Mr. Gibbons, you did not like the idea of being called upon to even use the words "Conservative party"?—A. No, sir.

Q. And Mr. Stapells, on your instructions, notified Mr. Charlesworth to that effect?—A. I could not say as to that. I do know this, and I figured out they were entitled to ask me as to the personal sponsorship.

Q. You have told us you have not got the script, that it is not filed in your office. Have you the names of all the participants?—A. Yes, sir.

Q. Have you that with you?—A. Yes, sir.

Q. Would you mind filing that with the committee?—A. You are speaking about the participants in the broadcasts?

Q. Yes, the engineers and others?—A. I do not know them.

Q. You have just the cast?—A. Yes.

By the Chairman:

Q. Would you mind reading them?—A. Yes.

Hon. Mr. CAHAN: Is that not already in evidence?

Mr. MARTIN: Yes, but I want to make sure that we have the cast, because we might want to use the cast in a play ourselves.

WITNESS: On September the cast was Mr. Rupert Lucas and Mr. Herbert Walker.

Q. Who is Mr. Herbert Walker and where does he work?

Mr. CHARLESWORTH: He was the announcer.

By Mr. Martin:

Q. He is the CRCT announcer?—A. I do not think anybody that was supposed to be working for the commission would do any work for us. That is the reason Mr. Lucas quit, because he was appointed to the commission the next day.

By Mr. Campbell:

Q. He took part in that broadcast?—A. Yes, but not when he was an employee of the commission. Also Mr. George Young. He was the third one. The next one is September 14, and there was Mr. Lucas, Mrs. Grace Webster, Douglas Marshall, Herbert Walker, and the man who played the organ was Roland Todd. On the 21st the cast was Mr. Boddington, Grace Webster, George Young, Herbert Walker and Roland Todd. September 28, Vaughan Glaser, Grace Webster, Jane Mallett, John Holden, R. Lees, then there was Harry and Mrs. Culley. They were the pianists. The cast on October 5 was Vaughan Glaser, Grace Webster, John Holden, R. Lees, Jane Mallett, and Mr. and Mrs. Culley. On October 11 the cast was Vaughan Glaser, Grace Webster, John Holden, Jane Mallett, George Young, with Waddington's orchestra.

By Mr. Martin:

Q. Can you tell us how much these people were paid for their work?—A. Yes, sir, I have this in the form of cheques at the hotel.

Q. They were all paid substantial amounts?—A. \$25, \$15 and \$10.

Q. How much did Mr. Lucas get?—A. I think he got \$40.

Q. For each performance?—A. I think so.

Q. How much did Mr. Walker receive?—A. I think he got \$25. I can tell you this that the October 11 broadcast for the entire cast cost us \$215. Does that help you?

Q. Mr. Walker would get at least \$25?—A. Yes.

By Mr. Campbell:

Q. Could you file with the chairman of the committee— —A. The actual figures?

Q. Yes?—A. Yes, I would be glad to.

By Mr. Martin:

Q. How much did Mr. Henshaw get?—A. I paid him \$1,000 for three months' services.

Q. That is for all the broadcasts?—A. All the broadcasts.

Q. All the political broadcasts which you had charge of?—A. Yes, sir.

Q. In connection with the broadcasts of the Conservative party. When you had somebody on the air, you always had the actual sponsor?—A. Of course, you want to bear in mind, outside of Mr. Sage, it was an individual who had a national reputation or we would not put him on the air.

Q. Did you put on "The Woman Who Pays?"—A. No.

Q. You did not put that on?—A. No, that, I think, was Mr. Massey's.

Q. Do you recall making this statement the other day in Winnipeg, Mr. Gibbons:—

No one except the staff of the J. J. Gibbons agency knew the context of the broadcasts until they heard them on the air. The Conservative organizer had an outline of the first broadcast before it went on the air. Apart from that in the first instance, no one knew what was going on the air except our staff?

A. Right.

Q. You want that statement to stand?—A. Yes.

Q. Just tell us what Mr. Henshaw did in connection with the Sage broadcasts?—A. Well, he helped us pick the cast, select them, because he was supposed to know the peculiar qualifications, and we told him the type of person we wanted and asked him to find out in Toronto where that kind of personality would be available; and he did that. Then he supervised the broadcasting when it was going on the air. He would have to have rehearsals. Would that qualify

[Mr. John J. Gibbons.]

my previous statement? We had to have these things rehearsed, but they were never rehearsed except an hour before it was put on the air.

Q. That is why it was so badly done, is it?—A. The Winnipeg Tribune said it was not only badly done but that it was done by somebody that didn't know anything. So there is a lot of different opinions.

By Mr. McIntosh:

Q. How many times did you rehearse them?—A. About once.

By Mr. Martin:

Q. Do you agree with Mr. Charlesworth that they were tripe?—A. No, sir.

Q. You are quite proud of your product?—A. I am perfectly satisfied with them. I realize how good it was, and if we had planned something on Mr. Sage across this country we would have done even better.

Q. So that I will understand you, you mean by deceiving the public under the false sponsorship, if the thing had been nation-wide there would have been better results?—A. No, sir, I do not think that when a person heard that broadcast that anybody was deceived about it. We simply used that as a coating to get them to listen to us once hoping they would be so interested they would carry on. And do not overlook the fact that I am an advertising man, and so long as I am not deceiving my audience to their detriment I am quite satisfied with what I do.

Q. Would you care to make a constructive suggestion to this committee as to what it might do with regard to political broadcasts?—A. I have given a lot of thought to that.

Q. Having in mind that you have given a lot of thought to that, do you think that you were contributing a great deal to the improvement of the radio facilities when you permitted your company to be engaged in this kind of business?—A. I think anything that can teach the people of this country to concern themselves with, or to listen to discussion of the political issues of the day, is a very desirable piece of work.

Q. Even though you are bordering on the line of defamation?

Hon. Mr. CAHAN: Oh, well—

WITNESS: I mean, they are two different subjects, are they not?

Mr. RYAN: What is the answer to that?

WITNESS: I think they were two different subjects.

By Mr. Campbell:

Q. You hired Mr. Henshaw at what time of the year?—A. We had him for three months. That would run up to the 15th of July. Pardon me for counting on my fingers.

Q. Will you speak louder, please?—A. I was just counting on my fingers. It is just a childish habit I have. It would be July, about July 15.

Q. In what capacity did you engage him?—A. As my adviser, my technical adviser.

Q. Is he still that?—A. No. It was just for the three months.

Q. Does he have no connection with your company now?—A. Oh, yes. We have a radio department now, and he is doing special jobs for us. But, I mean, that was one special deal I made with him.

Q. During that time?—A. Yes.

Q. As adviser?—A. And taking care of the technical work.

Q. Of the Conservative party broadcast?—A. No, no; for the J. J. Gibbons Company.

Q. But he was specifically employed for that?—A. I employed him in order to give that service, yes.

Q. And he worked on that for those three months almost entirely?—A. Well, almost entirely, yes. I think he helped some other candidates, some special candidates, but that was quite all right with me.

By Mr. Martin:

Q. If Mr. Henshaw had not been allowed to stay in the country, it would have been a great loss to your company in respect to political broadcasts, would it not?—A. Well, he had a talent that I found very useful.

Q. Indispensable?—A. When I came across him I found that he was a man that could do this kind of work. Whether there are other people equally qualified in Canada, I cannot answer, because I did not go any further.

Q. But having in mind what you knew about him and his ability, if he had not been allowed to stay in this country it would have been a very severe or a great disturbance to your company in respect to these political broadcasts?—A. Well, I would not like to say that, for the simple reason that if I have a position in my office organization open for somebody to fill, and I find a man who is capable of filling it and I put him in on the job, I cease looking for anybody else. There may be a thousand other people. Is that all right?

Mr. MARTIN: That is all.

By Mr. Campbell:

Q. Was the contract that you made with the Canadian Radio Commission, as agent for the Conservative party, made direct with the Commission?—A. Direct with the Commission.

Q. By yourself?—A. Well, by my company.

Q. By your company?—A. Yes.

Q. Who was in the conference at the time?—A. Well, Mr. Stapells and myself; we went over to the Radio Commission offices and we had a talk with Mr. Charlesworth, Col. Steel and Mr. —

Q. Chauveau?—A. What is his name?

Q. Chauveau?—A. No, it was not Chauveau.

Q. Mr. Buchanan?—A. No, somebody else.

Q. Mr. Powell?—A. Yes, Mr. Powell. We were trying to get the time we wanted for the broadcasts, because there were certain conflicts between the different parties, and we wanted to sort of get together and let each party have a fair share. Therefore we wanted the time booked up according to our liking, but we desired to be fair when we interfered with somebody else.

By the Chairman:

Q. Was your firm interested in each party getting a fair share of the time?—A. Well, that is the way I have always tried to do it. I figured out that I could not monopolize the air, and why not be nice about it?

By Mr. Campbell:

Q. You will note probably, by reading the evidence, that no other advertising agency engaged the Commission as you did, as their agents to engage other stations. Could you explain the reason you had in mind for doing that, or was it suggested to you?—A. Well, we did that because we thought we would get better service. They were in touch with all these stations and they had intimate associations with them; they saved us a lot of trouble.

Q. In other words, you tried to get in first on it. That was the intention?—A. No. I did not know, only that I read in the paper, that the other parties had not used the Commission. We paid the Commission extra for that service.

Mr. MARTIN: We know that.

Mr. CAMPBELL: Yes, two per cent.

WITNESS: I have it here, \$941.33.

[Mr. John J. Gibbons.]

By Mr. Campbell:

Q. Almost a thousand dollars?—A. Yes.

Q. Did Mr. Lawson suggest that you do this?—A. No, sir. Oh, no. He just gave the authority to go ahead with the broadcast, and we went and handled it in as efficient a way as we knew how. We had to go to the Commission in order to find out about the time. I would not like to say that Mr. Lawson inspired it or that he did not; you see, because you are going away back into July, and you are sitting down discussing an advertising campaign with somebody. Mr. Lawson may have, but I do not think so.

By Mr. Martin:

Q. CRCT was used in the last broadcast. You know that.—A. I can verify that, if you do not mind.

Q. The studios of CRCT?—A. CRCT, yes.

Q. Did you pay anything for the use of those studios in the way of rental?—A. No. We paid whatever the bill was.

Q. Did you pay anything at all, I am asking you?—A. Oh, yes, sir. We must have paid.

Q. Do not say you must have paid unless you know whether you did or not.—A. I want to put it this way: There is the bill (produced) and here are the stations. There is the bill for \$1,400.

Q. What is this bill for?—A. That is the broadcasting.

Q. I am asking about the use of the studios. Did you pay anything for the use of the studios?—A. It is not usual. It is just the same as we did in Winnipeg; I have the use of the whole station during that time.

Q. I am not asking what you did in Winnipeg. I am asking if you paid for the use of CRCT in Toronto?—A. It is not usual to do so.

Q. It is not usual?—A. No, sir.

Q. Do you remember putting on a series of campaign speeches over CRCT, that emanated from the King Edward Hotel where luncheons were being held?—A. Have you any of those dates?

Q. It would be during the campaign.—A. I cannot identify them.

Q. You know the ones I mean?—A. No, sir.

Q. They were a series of luncheons, Conservative luncheons, held in the King Edward Hotel.—A. Can you tell me who any of the speakers were?

Q. I cannot tell you. I did not listen to any myself.—A. No.

Q. May I ask you this: Were there any speeches broadcast over CRCT during the campaign which were not paid for or for which you have not been billed?—A. Which were not paid for or for which I have not been billed?

Q. Or for which you have not been billed?—A. Every liability owing to the broadcasting Commission and all orders authorized were paid for.

Q. That is not what I am asking. Have you ever put on or arranged for a Conservative party broadcast over a Radio Commission station for which the Radio Commission has not sent you a statement of account?—A. No.

MR. MARTIN: I am through.

HON. MR. MACKENZIE: Has anyone else any questions?

By Mr. Ryan:

Q. I understood you to say with regard to the first broadcast, that the nature of that was discussed with Mr. Lawson?—A. Yes, sir; in general terms.

Q. In general terms, as to what the feature would amount to or consist of?—A. Yes, sir.

Q. Do you say that, subsequent to that, you had no conversation with any of the leading members of the Conservative party with respect to future broadcasts?—A. Do you mean did I have any conversation with them regarding the character and what was contained in them?

Q. In any way affecting the Sage broadcasts?—A. No, sir. Once we got authority to spend the money, we went ahead and did so; and nobody knew anything about it except myself and my associates until it was on the air.

Q. And your associates?—A. I mean my office, my business associates, my employees.

Q. You say that during the remaining broadcasts you in no way discussed them at all with any prominent members of the Conservative party?—A. No, sir.

Q. Are you quite sure about that?—A. Quite.

Q. Did you get any letters of protest against these broadcasts?—A. Well, we did not get any directly. I heard that there were some, and I have an idea maybe we had some anonymous communications, but I cannot remember clearly. Somebody received anonymous communications. Whether we did or not, I do not recall.

Q. You say nothing came to your firm, or to Mr. Wright personally in connection with these matters?—A. Well, he is here.

Q. Do you know yourself whether they did or not?—A. I do not think so. But he did have some messages from people telling him what was going to happen to him if he kept on.

Q. What was the nature of those messages?—A. They were threats.

Q. I beg your pardon?—A. They were threats.

Q. Against Mr. Wright?—A. Against Mr. Wright.

Q. And having received those, do you know whether or not Mr. Wright took the matter up with any members of the Conservative party?—A. No, sir. He took it up with me.

Q. Do you know yourself whether he took it up with any members of the Conservative party?—A. No, sir. He only took it up with me; because, after all, I was the man that he would take it up with.

Q. What was the reaction when Mr. Wright took it up with you?—A. Well, of course, I took it as a tribute to the Mr. Sage broadcasts.

Q. That was your reaction?—A. Yes.

Q. Are you familiar with the rules that govern these broadcasts, all broadcasts?—A. I am more so now than I was.

Q. Do you know that one of the rules is that the Canadian Radio Commission shall not allow broadcasts to be made which might lead to a breach of the peace?—A. Well, I never thought of that.

Q. If you had, do you think your reaction would have been different?—A. Well, you mean my reaction to the threats against Mr. Wright?

Q. Your reaction in respect to the broadcasts, carrying on broadcasts that might lead to a breach of the peace?—A. It never occurred to me that that would happen. I thought it was for the benefit of Canada.

Q. I beg your pardon.—A. I thought it was for the benefit of Canada.

Q. What was?—A. The broadcasts.

Q. Do you say that you were broadcasting for the benefit of Canada or for the Conservative party?—A. That was the same thing, sir.

By Hon. Mr. Cahan:

Q. You spoke about having a conversation with Mr. Lawson on one occasion. Was that conversation held prior to the script being written out, or was it with reference to script which had then been written out?—A. We prepared a script which we submitted to Mr. Lawson and told him it would be money well spent to put that on the air. It was not the finished script. It was the general outline of it. And I managed to sell him those six broadcasts, as being money well spent.

Q. The trend of your conversation was, I understand, with regard to the general nature of the proposed broadcasts?—A. Yes.

[Mr. John J. Gibbons.]

By Mr. McIntosh:

Q. Was the script which you submitted to Mr. Lawson for the six broadcasts or just for the first?—A. Just the first.

Q. Was each of the broadcasts published in the daily press? Were they followed up in the daily press?—A. Just how do you mean that? We advertise them for people to listen to.

Q. With respect to the subject matter, was it followed up in the press the next day after the broadcast?—A. Not to my knowledge.

Q. Not on any of the broadcasts?—A. No.

Q. What would you say, experimentally speaking, about the efficiency of the radio as an advertising medium, comparing it with the weekly and daily press? You have a lot of experience in it. Would you like to express an opinion?—A. Of course, we try to get the people—we try to tell people it is just like a wheel, and all these methods should be used.

Q. You would not care to say anything more about the efficiency of one medium compared with another from the standpoint, for instance, of individual and public education?—A. You are now speaking of political advertising, are you?

Q. Yes, from the standpoint of educating the electors on the issues of the day?—A. If I had the money available, I would buy space in the country weeklies where the people could read it and ponder over it.

Q. Thank you very much for that answer. Selected weekly and daily newspaper publicity surpasses every other form of advertising. I believe you are on the right track. There is another question I should like to ask. Can you give us an idea of the cost? Is it greater per unit per audience for weekly and daily advertising than it is for your radio broadcasting?—A. I would think so. That is one of the troubles. That is one of the handicaps to the country weekly newspaper advertising. If you want an advertisement put in in the way you would like to have it appear, you have to send out a block. That block costs just as much for a country weekly of five hundred circulation as it does for the Montreal Star; I mean, with respect to production cost. That is always a handicap. The average production cost of a daily newspaper would be about 10 per cent. The moment you go into the weekly field you jump to 25 per cent.

Q. Your idea is that the educational factor, apart from the cost, could be gotten to a greater degree through the weekly and daily press than it could be gotten through any radio broadcast?—A. I would agree with that.

By Hon. Mr. Mackenzie:

Q. Despite your confidence in these broadcasts, they could not have been very effective, could they?—A. Well, I have an answer which I do not think is in order.

Q. The real question that I should like to ask is this: Do you not think, in view of the general reaction to these broadcasts, it would be advisable for all parties to discontinue similar broadcasts in the future?—A. I think any party that can entice the people in this country to listen to any political broadcasts is doing a good thing for this country.

Q. Regardless of the nature of those broadcasts?—A. Regardless of the nature of them.

Q. You said you were doing this for the benefit of Canada. You were not really doing it for the benefit of the Conservative party or for the benefit of Canada. You were doing it for the benefit of the Gibbons Company?—A. My own personal business.

Q. It was purely personal business?—A. Purely.

Hon. Mr. MACKENZIE: I am glad to have that cleared up.

By Mr. McIntosh:

Q. You would do the same thing for any other party?—A. For anybody else. I once handled the campaign for three political parties in one election.

Hon. Mr. MACKENZIE: What a conscience you must have!

By Mr. Martin:

Q. You do not expect to be given that opportunity by every political party, do you?—A. If they have as much intelligence as I think they have, some day we would take them all on.

By the Chairman:

Q. In order to get the record clear, that statement you made a few moments ago, to the effect that it was for the benefit of Canada, was erroneous, was it not? It was for the benefit of the J. J. Gibbons Company.—A. Pardon me. There are two positions there. I was working for the J. J. Gibbons Company, as a commercial proposition, getting some business for them. But the campaign I was carrying on on behalf of our clients was for the benefit of Canada. Does that make it clear?

Q. Oh, yes; but not the Sage broadcasts.—A. I would say that would also follow.

By Hon. Mr. Mackenzie:

Q. In your judgment, you did not think it was hurtful to Canada at the time?—A. I am satisfied it was not hurtful to Canada.

Q. You are not now?—A. Quite; I am of just the same opinion now.

Hon. Mr. MACKENZIE: Again, what a conscience you must have!

Mr. WOODSWORTH: You ought to be able to understand that, anyway.

By Mr. Martin:

Q. You made a statement the other day in Winnipeg. Do you recall having made that statement to which we have made reference to-day?—A. The one that you quoted a little while ago?

Q. Yes, part of which I quoted.—A. Yes.

Q. You made that statement?—A. Yes.

Q. Who suggested your making that statement?—A. Well, I arrived in Winnipeg on Tuesday morning. Every time I go west the papers want interviews. But that day our Mr. Wright was making an address before the Kiwanis Club on the marvelous progress we were making under present conditions in Canada.

Q. Despite Mr. Sage.—A. And I thought he ought to take the limelight. I promised them if they came back on Thursday I would have something to tell them.

Q. In other words, you were looking for publicity.—A. I am always looking for publicity.

Hon. Mr. MACKENZIE: That is obvious.

WITNESS: On Wednesday the Free Press came and said, "It is about time to wind up the Sage business." So when the two reporters came in on Thursday I said, "I had better tell you the true story about the Mr. Sage broadcasts."

By Mr. Martin:

Q. Have you not had written communications from prominent members of the Conservative party of the federal House of Commons, since this inquiry began?—A. You mean pertaining to this inquiry?

[Mr. John J. Gibbons.]

Q. Yes, and your responsibility with it?—A. It is very hard for me to answer that. I do not think I have, but I would not want to swear to that.

Q. Well, you have had conversations with certain people prominent in the Conservative party?—A. No, sir.

Q. You have not?—A. No, sir. The reason I could not answer that last question, I get heaps of letters from all kinds of people, from everywhere, about everything.

By Mr. Campbell:

Q. When Mr. Lucas was on the stand he told us that the reason he left the acting of Mr. Sage was because he felt it was going to interfere with his connection with the commission after he received his appointment. Then you engaged Mr. Boddington, and immediately he stopped; did you wonder why these men?—A. I heard reasons why Mr. Boddington stopped, rumours—I do not know whether you want rumours.

Q. You as employer must have wondered why these men were not wishing to carry on in both cases?—A. The first one was quite all right because the moment he became an employee of the Canadian government he was disqualified from taking any job from me.

Q. He also said he was worried about it, in his evidence?—A. Because his successor had quit because they were going to take him for a ride, if you must have it.

Q. You say it was a very good broadcast when it was endangering men's lives?—A. Yes; getting under somebody's skin.

By Mr. Mackenzie:

Q. You mentioned having an organist on the staff during the Sage broadcasts. Now, I did not have an opportunity of hearing any of the Sage broadcasts. Was the performance of Mr. Sage accompanied by organ music?—A. Coming in and fading away.

Hon. Mr. MACKENZIE: Fading out.

WITNESS: They usually have that.

Mr. MACKENZIE: In other wards, tripe should be served with organ music.

WITNESS: I think it might taste better.

By Mr. Campbell:

Q. Did you notice, in the conservative broadcasts, that you were not holding all of them? In other words, Mr. Bennett arranged absolutely with the commission itself?—A. We did not have them.

Q. Is there anything peculiar in that?—A. No. I came up and tried to get that order but did not succeed, because it had been arranged beforehand, and the Canadian Radio Commission did not see any reason why they should hand me over a fat order and pay me a commission on an order they already had and did not have to pay a commission. I did not get that.

Q. You had some work to do for Mr. Bennett. I read it?—A. It was just—the work I did for Mr. Bennett was all a part of the general scheme, the general plan which included Mr. Bennett, Senator Fallis and Mr. Gordon. As has been pointed out, there were four or five broadcasts that had been arranged, as I understand it—

Q. Quite a number of them?—A. I am not going back—we took care of everything but about four—not more than five broadcasts—there were four or five of them; we had nothing to do with them. They would not give us the business. We started Mr. Bennett's broadcasts on September 6th, I see—no, this is just the advertising only; we did not handle that. We handled the newspaper advertising and those broadcasts.

Q. For all his broadcasts?—A. For those—September 6th.

Q. September 6th was his own?—A. September 9th and September 11th.

Q. September 14th, 16th, 21st, 26th, 27th, October 1st, 3rd, 4th, 5th, 7th, 8th, 10th are all in the separate order for which the Radio Commission were agents?—A. Yes. I could not tell you how many there were.

Q. The wonder to me is that here we have September 23rd—A. We had September 7th, sir.

Q. September 23rd, October 3rd, October 7th. September 7th, you say, was Mr. Sage. What I was going to ask you was, didn't you wonder at the fact that Mr. Bennett was giving part of it in your broadcast and part was arranged?—A. My interpretation was that the Radio Commission had received this order and they saw no reason to pass it over to me, if they made 15 per cent commission; and they did not have to.

Q. In other words, they were competing against the— —A. No, not competing, but they had an order, and they were trying to get every penny out of it they could. I do not blame them. That is quite right. I have no criticism to make of them.

Q. Now, before Mr. Gibbons leaves the stand, I want the personnel of the broadcasts and what was paid each individual to be filed with the secretary of the committee?—A. I shall get that.

Witness retired.

RODERIC L. WRIGHT, sworn.

By Mr. Martin:

Q. Mr. Wright, what part did you have in the Sage broadcasts?—A. I wrote the greater part of them all.

Q. You are the main author. Who was the co-author?—A. There were no co-authors. It was a matter of consultation with myself and the committee.

Q. You said you wrote most of them?—A. Yes.

Q. Who helped you to write the rest of them?—A. Changes were made after I prepared the original draft.

Q. Who were the committee?—A. Mr. Stappels, Mr. Gibbons, occasionally Mr. Brooker and myself.

Q. Who is Mr. Brooker?—A. Head of the copy department of the J. J. Gibbons agency.

Q. And where did the idea of these Sage broadcasts emanate?—A. Heaven knows, I do not.

Q. Your brain?—A. No, sir.

Q. Who told you about it then?—A. I think it evolved.

Q. How do you mean it evolved?—A. Evolved from a conference or a series of conferences.

Q. Who were there?—A. Mr. Gibbons, Mr. Stappels and myself.

Q. That is where it emanated?—A. As a matter of fact, the first idea we had was a running commentary by one man, and the idea of a dialogue grew out of that.

Q. What did Mr. Henshaw contribute by way of ideas to those broadcasts?—A. None at all.

Q. Now, you knew that those broadcasts were under the sponsorship of the conservative party, did you not?—A. I cannot say that I did. I mean to say I took my instructions from Mr. Gibbons.

Q. I see you are of his company—the company with which you are employed were the advertising agents of the conservative party?—A. I understood that.

Q. You knew that?—A. I understood that.

[Mr. Roderic L. Wright.]

Q. You knew that the Liberal party were not sponsoring these broadcasts?
—A. I would gather as much.

Q. Or the C.C.F. or the reconstruction parties?—A. That too I gathered.

Q. So you knew clearly that the conservative party were sponsoring those broadcasts?—A. I understood so.

Q. And yet you allowed your name to be used as a sponsor?—A. Certainly.

Q. Were you consulted about it?—A. Yes.

Q. By whom?—A. By Mr. Gibbons.

Q. What did he say to you in that connection?—A. I do not remember; but the answer was that he used my name.

Q. But he asked you to use your name?—A. Certainly.

Q. And you were, in fact, sponsoring them?—A. My name was being used as sponsor.

Q. But you were not, in fact, sponsoring them?—A. I cannot answer that. My name appeared as sponsor.

Q. Were you sponsoring the broadcasts?—A. I cannot answer that question.

Q. Why?—A. I cannot answer that question. Mr. Gibbons asked for the use of my name as sponsor, as an employee of his, and I consented to that extent.

Q. To that extent you were sponsor. You merely consented to allow your name to be used?—A. Yes.

By Hon. Mr. Cahan:

Q. I understood you to say before that you were responsible for the script first written and which was subject to certain changes after your consultation with your colleagues of the Gibbons agency?—A. Yes.

Hon. Mr. CAHAN: I cannot understand the meaning of sponsor here. It seems to me, preparing the script—

Mr. MARTIN: I mean sponsor in the sense of complying with the Elections Act: every ad must have a sponsor.

By Mr. McIntosh:

Q. I have one question to ask along the line of the question asked by Mr. Cahan. That script after it was written was edited, is that the idea?—A. Oh, yes, it was subject to review.

Q. Was it entirely changed or was the framework left and you simply edited it?—A. I think I could explain that by a simple statement of fact. Certain lines to be followed were given to me at a conference. It may be my duty to turn that information into dialogue form and submit it to the committee and that committee may suggest changes as they saw fit.

By Mr. Campbell:

Q. What connection did Mr. Henshaw and you have with it?—A. Mr. Henshaw was responsible, as I understood, for rehearsal and production of the sketches.

Q. He did not work with you or suggest— —A. No.

By Mr. Martin:

Q. Where are the scripts now?—A. Heaven knows.

Q. When did you see them last?—A. Following the broadcast.

Q. Was that the last time you had seen them?—A. Yes.

Q. You have never seen them at the J. J. Gibbons company?—A. I did not have them. I did not know that posterity would need them.

Q. You have no idea about them?—A. No.

By Mr. Campbell:

Q. Don't you keep the scripts you write for other broadcasts?—A. We only made enough copies for the broadcast.

Q. You write scripts for other broadcasts?—A. No, sir.

Q. Was that the only script you ever wrote?—A. I was ever guilty of that character.

Q. What do you mean by saying "of that character"?—A. That I wrote.

Q. Are you not engaged as a writer?—A. No, sir.

Q. What position do you hold?—A. Director of research.

Q. This was a special piece of work, was it?—A. I presume so.

By Mr. Martin:

Q. Which did not require much research?—A. Which did not require much research.

By Mr. Campbell:

Q. And do you not keep copies of all your works?—A. Not always. If it involves research for the year I generally keep several copies. This has been something outside my ordinary duties.

Q. Did you wonder why you were asked to do it?—A. I wondered, but I did not get any answer.

Hon. Mr. MACKENZIE: "And still the wonder grew."

By Mr. Campbell:

Q. Were you paid extra for this?—A. No, sir.

Hon. Mr. MACKENZIE: That is the most unkindest cut of all.

By Mr. Martin:

Q. Do you think you deserve any pay for that?—A. A very great deal.

Q. You mean it affected your reputation somewhat?—A. No, I would not say that; but it upset my piece of mind.

Q. Was somebody bothering you about the broadcast?—A. I had several messages.

Q. From what source?—A. Over the telephone.

Q. Threatening your life?—A. One.

Q. Did you think your life was that valuable that you deserved commenting on it?—A. No. I thought it came from one of the other parties.

Q. At any rate, you are still living.

By Hon. Mr. Cahan:

Q. In drafting the dialogue for the consideration of your committee did you believe that the drafts which you made were in general accordance with the political facts of which you had knowledge?—A. I am no politician, and I have very little knowledge of current politics. I did the best I could.

By Mr. Martin:

Q. What was the source of your information?—A. I do not know. It was discussed at this committee meeting and it was decided what line the sketch should take, and I was requested to go and turn it into dialogue.

Q. Mr. Denton Massey did not give you some help, did he?—A. No.

Q. It might have been a much better production?—A. I would imagine so, yes.

By Mr. McIntosh:

Q. The production of your Sage article would simply be a part of your ordinary round of duties?—A. I had nothing to do with the production, sir.

[Mr. Roderic L. Wright.]

Q. Nothing at all?—A. No, sir.

Q. I mean producing the subject matter of the broadcasts?—A. I had nothing to do with that except in committee.

By Mr. Ryan:

Q. I understood you to say that Mr. Henshaw had something to do with the rehearsing?—A. Yes, he conducted all the rehearsals.

By Hon. Mr. Cahan:

Q. You are referring now to the rehearsing that took place half an hour or quarter of an hour before presentation?—A. Yes.

Witness retired.

HECTOR CHARLESWORTH, recalled.

The CHAIRMAN: Before proceeding with Mr. Charlesworth I might read a letter from the secretary of the Young Men's Canadian Club of Montreal to the Radio Commission:—

Dear Colonel LANDRY:

Page three of the brief being submitted by Mr. Paul Coffey of the Young Men's Canadian Club before the commission this morning, has a number of errors in punctuation which are quite apparent and make awkward reading. I, therefore, take the liberty of enclosing a corrected copy and will greatly appreciate it if you will have it replace the one being submitted.

As you know, we had to write this brief in a great hurry yesterday. The enclosed copy only changes the punctuation.

Yours very truly,

SYDNEY E. WEBSTER.

Also appended are copies of the annual reports of our club for the three years we have enjoyed the privilege of broadcasting, showing the list of speakers each season with their subject; supplemented by a copy of each speech in the 1936 series just concluded.

In conclusion, we believe that there is a positive yearning throughout the whole country for educational addresses setting forth the mineral and agricultural wealth of the country; the governmental care of the native population; the importance of various functions of governmental departments which are very necessary, but seldom publicized, such as the Signal Service, Department of National Defence—and the Signal services of the Department of Marine—the latter for the protection of shipping; as well as our expeditions to the north and the migration of reindeer, buffalo and other herds. We submit that there is a real necessity for the continuation of a body such as the Canadian Radio Broadcasting Commission. Otherwise the people in these outlying districts particularly, would be in the main deprived of educational talks and musical and dramatic presentations of high standard, such as they are presently receiving. That the people are eager to receive these programs and depend upon their radios for enlightenment and enjoyment is more than vouchsafed for by our fan mail. Undoubtedly a more understanding appreciation of the problems of the people of one part of the country by those of another has been promoted by the work of the Radio Commission.

Respectfully submitted.

YOUNG MEN'S CANADIAN CLUB OF MONTREAL,

S. E. WEBSTER, *Chairman, Radio Committee.*

Mr. CAMPBELL: Mr. Wishart Campbell's name was brought in. I would like to move that all the cheques paid to him by the commission for the last fiscal year be filed with the secretary and produced.

By the Chairman:

Q. Mr. Charlesworth, you are still under oath?—A. With your permission, Mr. Martin, before you proceed, I was asked the other day as to the notification of Mr. Lucas through Mr. Bushnell. I did not have the exact particulars then. I have since ascertained them. Mr. Bushnell tells me—he is here himself and you can call him—that at the time of the second broadcast I told him to phone Mr. Lucas on the long distance phone and said he could not participate as we expected that the Treasury Board was going to make some appointments. Mr. Bushnell, who was proceeding to Toronto and to the west, told me he would see Mr. Lucas in Toronto. He did see him—

Hon. Mr. CAHAN: Now, now.

WITNESS: This is making clear some evidence I gave the other day.

Hon. Mr. CAHAN: This is evidence we can get from Mr. Lucas.

The CHAIRMAN: This is a statement that Mr. Charlesworth made himself.

Hon. Mr. CAHAN: All I am suggesting is that Mr. Charlesworth can state the instructions that he gave to his own subordinate, but as to what his subordinate did that should be left to his evidence.

Hon. Mr. MACKENZIE: This witness is entitled to correct his own evidence of the other day.

WITNESS: Mr. Lucas was interviewed by Mr. Bushnell by word of mouth instead of by long distance.

By Hon. Mr. Cahan:

Q. How do you know that?—A. Because Mr. Bushnell informed me of it.

Q. Then let Mr. Bushnell so inform the committee.

By Mr. Martin:

Q. Mr. Charlesworth, when did you first learn that the Sage broadcasts were to be dramatized?—A. I first learned when I listened to the first two or three minutes of the thing. That is the first I heard of it. I saw an ad in the paper. It was launched in the Ottawa papers as a Conservative party broadcast. I did not know what it was until it got on the air.

By Mr. McIntosh:

Q. That is just the time before you dropped off into repose?—A. Yes, that is right.

By Mr. Martin:

Q. Do you know the practice with regard to dramatization of political events by some of the large radio chains such as the Columbia?—A. No, I do not know.

Q. Have you ever sought to find out what they do in that connection?—A. No, I have not. The dramatization type, or the dialogue type, is used very widely by all sorts of organizations.

Q. You knew that Mr. Don Henshaw had been ordered deported, Mr. Charlesworth, did you not?—A. I was informed so in a letter I received.

Q. From whom?—A. From Mr. Blair of the Department of Immigration.

By Hon. Mr. Mackenzie:

Q. The assistant deputy minister?—A. The assistant deputy minister.

[Mr. Hector Charlesworth.]

By Mr. Martin:

Q. You wrote to Mr. Blair?—A. He asked me for a full report. He asks me for my opinion on all questions of that kind. There are a great many about landings and various things and entries in connection with radio artists, and the Department of Immigration invariably asks me for a report.

Q. You stated among other things that he was engaged by the Conservative party?—A. Yes, I understood so. I knew so.

Q. What was the source of your information in that regard?—A. Mr. Henshaw himself. He had been down.

Q. He told you himself?—A. He came with Mr. Gibbons and Mr. Stapells to our office.

Q. In that letter to Mr. Blair you also stated that Mr. Henshaw was not an indispensable person?—A. Yes, I stated that. It would have been very inconvenient to drop him, but nobody is indispensable.

Q. Do you know William Strange?—A. No, sir.

Q. Do you know a man called Fred Griffin?—A. I knew Fred Griffin.

Q. He is Toronto Star writer?—A. Yes, a Toronto Star writer.

Q. And Rupert Lucas? By the way, he does some writing?—A. I do not think so. I have never heard of his being a writer.

Q. Do you know Roland MacEachern?—A. No.

Q. Do you know Robinson McLean?—A. Yes, sir, he has just come back from Abyssinia.

Q. He does a lot of writing?—A. No, he is a young man who just came on the Evening Telegram about two years ago.

Q. Do not hold that against him.—A. The only thing I know about Robinson McLean is that before he went to Ethiopia he was editing the radio page of the Toronto Telegram when Hunter was on his holidays and doing it much better. He came to see me once when I was in Toronto.

Q. I am not so much interested in that, Mr. Charlesworth, as I am in knowing whether or not Robinson McLean might not be the type of person who could do the kind of work—I am not saying as well—that Mr. Henshaw was doing?—A. I do not think so.

Q. What about Charles B. Piper?—A. He is a man on the staff of the Toronto Telegram, as a reporter.

Q. Never mind what he is.—A. No, I have no evidence that this man could do it. There are few men who could do it.

Q. You will not say they could not?—A. If they perhaps studied it for three or four years, they might.

Q. What about Rita McLean Farquharson?—A. She writes little plays. Her husband is an editor on one of the papers.

Q. Nancy Piper. She directs plays?—A. Yes. I do not know that she writes plays.

Q. Edgar Stone?—A. He does not write, he is a director.

Q. He is a Canadian?—A. Yes.

Q. All these people are Canadians?—A. I do not know whether they are all Canadians. Mrs. Piper, I think, is.

Q. Napier Moore?—A. He is an editor in Toronto.

Q. Is he a Canadian?—A. He, he is from Newcastle-on-Tyne.

Q. Gregory Clark?—A. Yes, Gregory Clark.

Q. And Merrill Denison?—A. He is a writer in New York.

Q. He is a Canadian in New York, and a very successful man?—A. Well, these people come and go; I do not know what he is doing just now.

Q. He could have done part of the work Mr. Henshaw was doing?—A. I have no doubt, if he wanted to. He was making a great deal more money in New York.

Q. But he could do the same kind of work?—A. Yes.

Q. And John Lewis?—A. His line is realism.

Q. This was a very realistic show?—A. Henshaw does very imaginative work. He has been doing the "Forgotten Footsteps" in co-operation with Professor Correlli of the Ontario Museum, and that involves a great deal of archæology. The point is about these writers, if you will permit me to say so as I am an old writer myself and had some reputation as a writer, that I doubt very much if I could do a radio script or a radio drama, and most of the men you have mentioned are making far more money as special writers than they could by writing the chance script or sequence in the way of radio drama.

Q. But there would be nothing to prevent them taking on this particular type of work?—A. Nothing. They would be glad to get it. May I add this, sir, in connection with all the questions that are put to me by the Department of Immigration about deportation, that the deportation of writers and artists by Canada would be liable to involve Canadians and Canadian friends of mine in the United States, whom I do not wish to name, in a great deal of controversy, because if it started on one side of the line it would start on the other. If that thing happened, it might prevent me, in case I should have to look for a job, going to the United States.

Q. You saw the advertisement of the Sage broadcast, that it was put on by the Conservative party?—A. Yes, Conservative party broadcast. It was listed in the radio pages in Ottawa.

Q. Did you see the advertisement of the second broadcast?—A. No, I could not say as to that, I did not bother looking for it because I was going to listen in and see if my instructions had been carried out.

Q. You had not given any instructions?—A. Yes.

Q. When?—A. On Friday, I called up.

Q. You called up whom?—A. Stapells, the man I knew best in the Gibbons agency. I read him an editorial from the Manitoba Free Press, the only paper that had paid any attention to the Sage broadcasts, and told him this thing should not go on; that two things had to stop, the personalities with regard to Mr. King had to be eliminated and—

Q. You have told us all that.—A. And that there had to be proper sponsorship. It had not been sponsored at all in the first place.

Q. Did you know whether or not the second broadcast was properly sponsored?—A. It was sponsored by Mr. Wright.

Q. The second broadcast?—A. The second one was Mr. Wright.

Q. What is the source of your information in that regard?—A. It is my recollection.

Q. The fact is, as far as my examination goes, that—

Hon. Mr. CAHAN: Are you giving the evidence yourself?

Mr. MARTIN: You are quite right, Mr. Cahan.

Q. I have before me, Mr. Charlesworth, a copy of the second broadcast, on September 14. This appeared in the Ottawa Citizen and Ottawa Journal as well as the Toronto papers?—A. I had nothing to do with their advertising.

Q. There was no sponsorship of that broadcast?—A. It was on the air by Mr. Wright.

Q. Mr. Charlesworth, I am not talking to you about that. I am telling you there was no sponsor of that?—A. That might be, but I had no authority. Let me say this; the second one was sponsored by R. L. Wright, and I did not consider that sufficient.

Q. Just before coming to that, I take it that you know the regulations of the Election Act?—A. I do not.

[Mr. Hector Charlesworth.]

Q. You know that all advertisements have to have a sponsor?—A. No.

Q. You did not know that?—A. No.

Q. Did you not make any inquiries?—A. No, I didn't. I was just doing what I thought was proper in connection with the radio, that there should be sponsorship.

Q. I see in connection with the third broadcast that it was presented by Mr. R. L. Wright?—A. The second on the air.

Q. You were not satisfied with that?—A. No.

Q. Why were you not satisfied with that?—A. I had discussed it—

Q. Tell me why you were not satisfied with it?—A. For this reason, that I had discussed the question of sponsorship and said it should be by the Conservative party. They said they could not give the sponsorship of the Conservative party because it had not been submitted to them.

Q. Who told you that?—A. Mr. Stapells over the long distance phone.

Q. Just a minute, you go so fast that I am not able to follow you.—A. They said they could not submit these things to the Conservative party, and that it would be unfair to the Conservative party.

Q. Then what?—A. Then Mr. Stapells suggested how would the J. J. Gibbons Company do. I said, "First rate, everybody knows they are the agency of the Conservative party and doing the publicity in this election." I listened and heard R. L. Wright. I had met him once, but I had forgotten who he was, and I wanted to know who Mr. Wright was. The following week the matter was the subject of discussion on the long distance telephone, and, finally, at a date I can give you, we wired to Toronto a peremptory message that they had to have a party sponsorship; that while Mr. Wright was all right for an ordinary commercial broadcast he would not do under the circumstances.

By Mr. Campbell:

Q. You wired to Toronto?—A. I wired Toronto. I can produce a copy of the wire.

By Mr. Martin:

Q. You objected to R. L. Wright's sponsorship?—A. Because I did not think it was sufficient.

Q. I note that on September 28 and October 5 Mr. R. L. Wright again appears as the sponsor?—A. Yes.

Q. Did you check up the advertisements in the paper?—A. No, I did not check them.

Q. You knew this was a political broadcast?—A. Yes, all the papers carried it as a Conservative broadcast, that is, as their news information on the regular page.

Q. But the advertisements did not?—A. I could not tell you.

Q. You consented, although this does not appear so far according to the evidence before me, to allowing the phrase "A group of Conservatives" to be used?—A. Yes.

Q. Why did you consent to that?—A. Because I wanted it to be made clear that it came from the Conservative Party.

Q. But "A group of Conservatives"?—A. That was a truthful statement of the matter. It was from a group of Conservatives.

Q. How do you reconcile that with the statement of Mr. Lawson that he, as the Conservative organizer, accepts full responsibility?—A. I had never had a discussion with Mr. Lawson about politics or anything else.

Q. I did not say you had.—A. I do not reconcile it, I am just telling you the facts.

Q. I have asked you this once before, but you knew that this was a political broadcast?—A. I knew from the newspapers, from the Ottawa Citizen, that it was a political broadcast before it ever came on.

Q. And you knew the sponsor was not the actual party who was sponsoring it?—A. I learned it.

Q. Answer yes or no?—A. I knew it came out of J. J. Gibbons' office and I was told Mr. Wright was an official of theirs but I did not deem that sufficient. It would be in a commercial broadcast but not, in my opinion, in a political broadcast.

Q. Having in mind the responsibility of your office, do you think the Government radio facilities were intended to be used under the circumstances as the radio was used in the Sage broadcasts, having in mind the sponsorships?

Hon. Mr. CAHAN: The word "sponsor" has been referred to by Mr. Martin as a word that is defined by the Election Act. I submit that we are not here to consider the application of the Election Act unless you can bring that Act to the knowledge of this witness, and even if you do bring the Election Act to the knowledge of this witness, his view respecting it is utterly immaterial.

Mr. MARTIN: I agree.

The CHAIRMAN: I might say, Mr. Cahan, that Mr. Charlesworth, as chairman of the Radio Commission must have been aware that every political broadcast on the air must be sponsored.

Hon. Mr. CAHAN: Let us produce the rules.

The CHAIRMAN: Mr. Charlesworth admits that himself in his evidence.

Hon. Mr. CAHAN: Mr. Charlesworth's views are utterly immaterial to me, but where is the rule? I asked for a definition of "sponsor" and the rules with regard to sponsors and I was referred to the Election Act. Now you refer me to some other rule.

WITNESS: I do not know the rule. It was a rule I made myself to fit the circumstances. That is my responsibility.

The CHAIRMAN: If the Commission has made a rule and if the Commission has powers given them by parliament to make rules, it should be sufficient.

Hon. Mr. CAHAN: It seems to have been a rule in Mr. Charlesworth's mind. It has not been reduced to writing or made known to the public so far as I can ascertain. I would like to know if it is a written rule and if it was formally adopted.

The CHAIRMAN: Perhaps Mr. Charlesworth can answer that question.

Hon. Mr. CAHAN: He has already answered by saying no, it was not done.

The CHAIRMAN: He just said he made a rule himself.

WITNESS: I took the responsibility in my office to do this. And in a campaign things arise that are not covered by any specific rules. You cannot anticipate things, and it was my duty as chairman, with very wide control over broadcasting, in special circumstances to make a decision that would cover an event and give fair play to everybody. I may say that my particular reason for taking immediate action to get sponsorship was that I discovered that many people thought the Commission was responsible for this broadcast, which it in no way was.

By Mr. Campbell:

Q. You did not want that?—A. No.

Mr. MARTIN: Mr. Chairman, I have made copies of the advertisements that appeared in the Ottawa Citizen, the Ottawa Journal and the Toronto papers, and I submit they should be made part of the exhibits.

Q. I believe you wired Mr. Stanley Maxted about the sponsorship of these programs. Have you a copy of that wire?—A. I wired Mr. Maxted? I do not remember wiring.

[Mr. Hector Charlesworth.]

Q. To Mr. Maxted?—A. No. He had been removed from our station, and the wire went to CKCL.

Q. Do you remember sending this wire, a copy of which is in the file, addressed to Stanley Maxted, Toronto:—

Have requested Stappels to name some form of sponsorship regarding Mr. Sage and he has consented. This matter should be watched to-night Liberals kicking?—A. Yes, I sent that. What is the date of that?

Q. I have not the date.—A. I think that would be on September 7 to watch for the sponsorship. There had been no sponsorship of any kind.

Hon. Mr. CAHAN: Can you identify the date?

Mr. MARTIN: The wire is dated September 8th, after the first broadcast.

WITNESS: It would be September 14, would it not?

Mr. MARTIN: It is in the file.

WITNESS: It would be just before the second broadcast which was on September 14.

Q. Do you want to produce that wire?

Hon. Mr. CAHAN: Let us fix the date, if possible.

WITNESS: It would be September 14.

Hon. Mr. CAHAN: If you have the date, put it in evidence.

WITNESS: It could not be before the first broadcast because I did not know anything about it. I remember sending the wire. This is dated September 14. I have a copy here.

By Mr. Martin:

Q. I am wrong, then?—A. Yes. Would you like a copy of that?

Q. Is that the one to Mr. Maxted?—A. Yes, on the morning of September 14. The response was that they had Mr. Wright as sponsor.

By the Chairman:

Q. Have you a copy of the telegram?—A. Yes.

By Mr. Martin:

Q. Have you another one to Stapells?—A. A letter to Stapells.

The CHAIRMAN: Will you kindly read that telegram?

WITNESS: This is addressed to Stanley Maxted, and reads:—

No. 1600 stop have requested Stapells to name some form of sponsorship regarding Mr. Sage and he has consented stop this matter should be watched to-night Liberals kicking.

By Hon. Mr. Cahan:

Q. What is the date of that?—A. September 14, that is the morning of the second broadcast.

By Mr. Martin:

Q. A week after the first?—A. Yes.

Q. Have you got the one that you sent to Mr. Stapells?—A. Most of my discussions with Mr. Stapells were over the long distance phone. They were calling our office all the time on general business. There were hundreds of broadcasts—there were scores of broadcasts going on all the time. I do not know that I sent a wire directly to Mr. Stapells that day. I filed a copy of the letter I wrote to Mr. Stapells after the second broadcast. Here is one sent to Mr. Stapells. It was signed by Col. Steel at my request. It is of September 25; I wired to Stapells, number 1752:—

Commission requests you alter your announcement Mr. Sage broadcasts to read: "This program is sponsored by Mr. R. L. Wright on behalf of the Conservative party." This statement to be made at start and end of broadcast.

That was finally wired to Mr. Stapells after we had not gotten very far.

Q. After communicating with Mr. Maxted, did he report to you that the broadcast had not gone on the air through the Commission's own station, CRCT, but from the privately-owned station, CFRB?—A. No. He did not report anything of the kind. We knew it had not gone through CRCT.

Q. He did not report that?—A. No. He reported it had gone out on the air.

Q. I have a letter here that is on the file, a letter which I think you had better identify now, having in mind Mr. Cahan's objection of some days ago. Do you remember writing the Minister on November 20 *re* Mr. Sage broadcast?—A. Yes.

Q. And this is a copy of the letter?

Mr. CAMPBELL: It is the letter.

By Mr. Martin:

Q. This is the letter?—A. Yes.

Q. Mr. Charlesworth, having in mind the answer that you just gave a while ago, I note that the letter says:—

The chairman at once took up the matter with the commission's regional superintendent at Toronto, Mr. Stanley Maxted, and asked for full information. Mr. Maxted reported that the broadcast had not gone on the air from the commission's own station CRCT but from the privately owned station CFRB, Toronto.

A. That was correct.

Q. I understood you to say, a while ago, just the contrary?—A. If you will remember Mr. Maxted's evidence, he said it came out of our studios, fed into the Bell Telephone wire and put out at Toronto over CFRB.

Q. You also go on, at page 4 of your letter, to say:—

It was also held that it was unreasonable for the chairman to demand that the Conservative party as a whole take responsibility for the "Sage" broadcast, as neither Mr. Bennett nor his associates were available to pass judgment thereon. The chairman then demanded that the Gibbons agency should name itself as sponsor which would meet the case as it was known throughout Canada as the publicity agent for the party.

A. That was after the first broadcast.

Q. Do you still feel it was unfair to ask the Conservative party to sponsor these broadcasts?

Hon. Mr. CAHAN: One moment, please. What the opinion of this witness is as to the fairness or unfairness, is not relative.

Mr. MARTIN: I was asking this witness as Chairman of the Radio Commission.

Hon. Mr. CAHAN: As Chairman of the Radio Commission, he is no more entitled to judge as to the fairness or unfairness than is a stenographer in his office. The facts will speak for themselves. We have the facts with regard to the relation of the Conservative party with these broadcasts. The opinion of this witness is utterly immaterial and irrelevant, it seems to me.

Mr. HANSON: He surely must be entitled, as the Chairman of the commission, to express an opinion, when he is asked a fair question.

Hon. Mr. CAHAN: He has expressed his opinion about the contents of the Sage broadcasts very freely. But this is a question as to the unfairness not of [Mr. Hector Charlesworth.]

the broadcast, but unfairness as to whether a group of Conservatives or the Gibbons Advertising Agency on behalf of a group of Conservatives or the Conservative party should assume responsibility.

Mr. MARTIN: I will lay the foundation in another way, Mr. Cahan, and see if I can meet your wishes.

By Mr. Martin:

Q. Mr. Charlesworth, you knew that these were political broadcasts?—A. Oh, yes. That was obvious.

Q. All right. You knew that the Conservative party were sponsoring those broadcasts?—A. No, I did not know that.

Q. You have just told us that you first learned of the Sage broadcasts by an ad that appeared in the paper saying that they were Conservative party broadcasts?—A. That was not an ad. That was information on the radio page, just like “9 o’clock, Ben Bernie’s Orchestra” and so on. “10.15, Conservative party broadcast, Meet Mr. Sage.”

Q. All right. You knew that they were Conservative party broadcasts?—A. Well, it was obvious to anybody.

Q. Did you not feel, as Chairman of the Radio Commission—and that is a responsible post—that no political party should be allowed to have political broadcasts unless clearly the public knows that the program is sponsored by that party?—A. Well, that is exactly the position I took.

Q. And yet those ads show—

Hon. Mr. CAHAN: Wait a minute. You have not brought the ads home to this witness yet.

WITNESS: I knew nothing about them.

Hon. Mr. CAHAN: As a matter of fact, I thought I was a prominent member of the Conservative party and I knew nothing about them.

The CHAIRMAN: You were too busy with your own campaign.

Mr. MARTIN: Possibly if you had known about them, they would not have gone on.

Hon. Mr. CAHAN: Well, that is possible. We know the circumstances, know who is responsible and who took the responsibility. Why go on talking and trying to elicit from this witness indirect evidence with regard to that of which he knows no more than you or I.

By Mr. Martin:

Q. I am asking a question, and you can answer yes or no?—A. What is that?

Mr. MARTIN: I will ask the reporter to read it.

Reporter read last question and answer.

By Mr. Martin:

Q. That is the position you took?—A. Yes.

Q. In your letter, you say:—

After conference with his fellow commissioners, a wire containing a peremptory order that the Conservative party must sponsor the broadcasts otherwise they would be barred from the air was sent to the Gibbons agency.

A. Yes.

Q. What was this conference with your fellow commissioners?—A. Well, I was talking over the matter one day with Col. Steel.

Q. Col. Steel?—A. And I think Col. Chauveau was there—I could not tell you off-hand—yes, I am sure that Col. Chauveau was there when we discussed the matter.

By Mr. Campbell:

Q. You heard Mr. Powell's evidence the other day?—A. Yes.

Q. Regarding those contracts?—A. Yes.

Q. To save time, I shall not rehash it. What was the first application that you had from anyone regarding the time allotted to the Conservative party over the radio lines?—A. They were applications that came in towards the end of July when it was supposed that the election would take place on September 23. We went ahead and made certain arrangements, and those all had to be cancelled.

Q. Who made that application?—A. The Gibbons Agency and Mr. Bennett's secretary as well.

Q. Mr. Finlayson?—A. Mr. Finlayson, yes.

Q. Did Mr. Lawson or any of the others?—A. Mr. Lawson's secretary, Mr. Bell, was in communication with our commercial department very frequently about getting changes in time and cancelling time to let the Liberals in with something, or something of that sort. There was a good deal of that sort of thing going on.

Q. You said that you explained the fact that there were two different—

Hon. Mr. CAHAN: Just a minute. We had a statement here that Mr. Bell was Mr. Lawson's secretary. Do you know that as a fact?

Mr. CAMPBELL: Well, I know Mr. Bell.

WITNESS: He was secretary in the offices down on Albert street or Queen street.

By Hon. Mr. Cahan:

Q. He was secretary of the Conservative committee?—A. Of the Conservative committee.

Q. That is different from saying that he was Mr. Lawson's secretary.—A. All right. I assumed he was Mr. Lawson's secretary as chief organizer; of course, not in the National Revenue Department.

Hon. Mr. CAHAN: Of course. I want to make that distinction clear.

By Mr. Campbell:

Q. You also heard me read this memo that Mr. Powell gave the other day, dated April 28, regarding the fact that you had regulations that all political broadcasts had to be paid in advance?—A. Yes.

Q. And that there is still a certain amount owing?—A. I would like to explain that.

Q. We would like an explanation from you as to how this credit was given and why it was given at two different places?—A. In connection with all advertising, commercial or otherwise, there are two distinct classes of accounts. There are the accounts filed by the recognized advertising agencies, called the daily newspaper list under which, I think—at one time at least—every advertising agency placing advertising on credit with the paper has got to show a certificate that it has \$25,000 cash in the bank. That is the same as cash, an order from that agency, because that can be collected. Then there is another type of agent who is bonded for that sum, and we regard him, or what is covered by the bond, as cash. Then in the case of the third type of agent who might be working for the political parties—and that was the case in certain parts of Canada especially with regard to the Liberals—where he was not a recognized agent and where we were not sure, absolutely sure and secure in the matter of cash, we made the rule of cash in advance. I may say that some of the larger agencies, whose accounts would be accepted without any demand for cash, in discussing the matter with me—I am not going to give any names; Mr. Gibbons agency did not figure in this—were favourable to our putting in a rule of cash in advance, because they thought it would make things easier for them in dealing with the

[Mr. Hector Charlesworth.]

party they were serving, because in case a party is defeated, it is sometimes difficult to collect. That is what the feeling was. But that was merely a subject of discussion. But when we said cash in advance, the proposition was to meet the case of the fellow entitled to a place in the advertising, say, on the British Columbia chain for the Liberal party, who was not good for the account himself. Do you see?

Q. Yes.—A. That is what it was.

Q. True. But in this case of the Conservative party broadcasts, there appear to be two different contracts, one with an advertising agency which is no doubt very reputable.—A. Yes.

Q. And pays its bills, as has been shown.—A. Yes.

Q. The other one apparently is with Right Hon. R. B. Bennett himself.—

A. On instructions from his secretary.

Q. On instructions from his secretary?—A. Yes.

Q. For which your commission gave credit?—A. Yes.

Q. That is correct.—A. Because we credit Mr. Bennett as being good for it.

Q. I think he is well worth it. There is no doubt about that. But you made these other regulations which were apparently to take effect in individual cases such as his; is that not the fact?—A. No. We did not intend—

Q. In other words, getting back to this, Mr. Bennett was not an advertising company?—A. No.

Q. He was not, and could not be classed in any of those categories you spoke about a few moments ago?—A. No.

Q. He was an individual citizen of Canada, although it is true enough he held a very high position; is that correct?—A. Yes.

Q. Therefore you accepted his contract and extended him credit?—A. We did not ask him for a contract at all, any more than we would ask Mr. King at the present time if he asked for it. As a matter of fact, we did act for Mr. King in the province of Quebec in the same way as we acted for Mr. Bennett.

Q. It does not show that?—A. It does not show as to that. But during the last of the campaign we acted for Mr. King on one occasion. Perhaps this is germane to the Sage inquiry. The Sage broadcasts on October 11 were taken off our stations CRCM, Montreal, and CRCK, Quebec, in order to give the time to Mr. King. We also acted in the same capacity, in the same way as we did for the Gibbons agency, for Premier Patullo in British Columbia.

Q. After you accepted Mr. Bennett's work you acted as the advertising agency?—A. Well, we were not the advertising agency. Mr. Bennett made speeches and we arranged to put them on the air.

Q. You arranged that, and are listed as the agency?—A. Yes. Agency is the term, I suppose.

Q. Well, it is the same term as used for Mr. Gibbons.

MR. MASSEY: I submit that the commission had something to sell and was selling it.

WITNESS: Right.

MR. MASSEY: They were not acting as the go-between between anybody and anybody. They had something to sell and sold it.

By Mr. Campbell:

Q. You acted as the go-between between Mr. Bennett and the other stations?—A. Mr. Bennett's secretary asked us to book certain times for him on certain dates on the national network; and we accepted the order as an order from a man thoroughly responsible in every way.

Q. Did you have a similar application from any other party?—A. Well, as I say, we have carried on in that way on the British Columbia network for Premier Patullo in his own campaign there; and the accountant informs me that

we acted for Mr. King at the last just purely in connection with the province of Quebec. As a matter of fact, if I may be permitted to explain that point, the parties that benefitted most from that arrangement which the Gibbons agency made with us to handle the broadcasts was the Liberal party; because the Liberal party's arrangements, while it was dealing through an advertising agency and also a booking agency—there were two intermediaries there—were tentative. It was necessary for them to arrange time that had never been anticipated, for instance for Mr. Dunning when he decided to enter the campaign. In the position we held there, it was much easier for us booking the time, to arrange cancellations of time and give time to the Liberal party; and the relations were admirable between the two national organizations here. Mr. Lawson's office relinquished time to the Liberals on several occasions and the Liberals reciprocated. Altogether we acted as liaison officers between the two parties and everything worked extremely smoothly.

Q. We will get back to the question. You made a statement a few minutes ago that you acted in the same capacity for Mr. King. This is the file in connection with network broadcasts that your commission submitted?—A. Yes.

Q. This is the Conservative file?—A. Yes. I do not mean that Mr. King ordered it directly.

Q. This is the Liberal file?—A. Yes. The Liberals did.

Q. In every case I see here there is an advertising agency. Some entries show it is the Dominion Broadcasting Company which arranged the stations?—A. Yes.

Q. Cockfield, Brown & Co. Ltd. arranged lines?—A. Yes.

Q. And in some other cases the Canadian Advertising Agency of Montreal, which apparently arranged everything in Quebec?—A. Yes.

Q. I cannot see where you arranged whatever in the same capacity.—A. Mr. Mortimer can explain that to you.

Hon. Mr. CAHAN: Just a minute. I happened to have heard Mr. King make at least two or three addresses over the radio, or parts of them. Who arranged for the time?

Mr. CAMPBELL: It is here.

Hon. Mr. CAHAN: Let us get it from the witness. I would rather have it from him than from you.

Mr. CAMPBELL: That is what I am trying to get.

By Hon. Mr. Cahan:

Q. Who arranged for the Liberal broadcasts?—A. The man that came to see me from the Cockfield, Brown Co., was Mr. Ryan. Then they told us they were not going to deal directly with the stations themselves. They were going to deal through the Dominion Broadcasting Company. Of course, that was their own business. The disadvantage of that type of business, I do not know whether they figured—

Q. Do not tell us anything in relation to advantage or disadvantage. Did they tell you that they were acting for the Liberal party?—A. Yes.

Q. Did they tell you that they were arranging for certain time for certain addresses of the Right Hon. W. L. Mackenzie King?—A. Yes.

Mr. CAMPBELL: Certainly.

By Hon. Mr. Cahan:

Q. Did Mr. King speak over the radio?—A. Yes.

Q. And were his speeches broadcast over the radio at the time and from the places which were stated to you?—A. Yes.

Mr. CAMPBELL: Yes. That is not the argument at all.

[Mr. Hector Charlesworth.]

Hon. Mr. CAHAN: Oh, well, I know that is not the argument. I am dealing with the fact, because I see that you are attempting to give evidence on your own behalf along another line.

Mr. CAMPBELL: No. I am just trying to hurry this along.

WITNESS: If I may add to what I said, Mr. Cahan, there were certain occasions arose—I remember one night I think it was three-quarters of an hour, when Mr. King was a little delayed in time or was interrupted, had to make a longer speech, we had to arrange the line for Mr. King, and so on. On one occasion we would have to cancel the regular schedule of entertainment.

Mr. CAMPBELL: I have no doubt about that. I have no doubt you did that for others.

Hon. Mr. CAHAN: Of which you know more than the rest of us do.

By Mr. Campbell:

Q. Let me finish the question. You made a statement a short time ago that you acted the same way for Mr. King as you did for Mr. Bennett?—A. On one occasion, on October 11th, we took off the Sage broadcast to give Mr. King time.

Q. Was that arranged by Mr. King directly, or by the Dominion Broadcasting Company of Montreal?—A. By the representative of the Liberal party.

Q. What I am getting at is you acted as Mr. Bennett's agent, you and your commission?—A. If you choose to call us agents. It is a legal term, I suppose.

Q. I know, but you have admitted that by your own files and your own evidence.—A. When Mr. Finlayson asked us for certain broadcasts for Mr. Bennett, we cleared the air.

Hon. Mr. CAHAN: Mr. Campbell is drawing inferences.

By Mr. Campbell:

Q. Are these files official?—A. Yes, they are from our accounts.

By Hon. Mr. Cahan:

Q. There were certain addresses given by Mr. Slaght over a network on the radio?—A. I only heard one of them.

Mr. CAMPBELL: I have them here.

By Hon. Mr. Cahan:

Q. There was one that went over; was that arranged by Mr. Slaght himself, or was that arranged by the Liberal party organizer?—A. It was arranged by Coffield-Brown and Company, and the Dominion Broadcasting Company.

Q. The same party who arranged Mr. King's broadcasts?

Mr. CAMPBELL: Absolutely.

Hon. Mr. CAHAN: I am not asking you to give the evidence. I know you are very well informed as to the operations of the Liberal party in broadcasting, but I am asking this witness.

Q. Did you make over any part of your radio system arrangements for individual candidates to broadcast their addresses?—A. No, that was up to the party itself what use it made of the time it had booked, but we would often be told in advance, "We want to get a special time if you can arrange it, because such and such an eminent man is going to speak."

Q. You would not refuse time if I had asked time at Montreal?—A. If it were available, certainly not, sir.

Q. Is it not usual in Montreal for candidates there to apply for time, obtain the time and pay for their time?—A. Yes, they are doing it all the time.

Q. I was in the campaign and I know. I had no difficulty.—A. A great deal of that business, Mr. Cahan does not come before us directly, because under the

Act we are in charge of all network advertising. So far as local broadcasts are concerned, you ask for a time on one station, and all our business is to see that the law is kept.

The CHAIRMAN: Is it the wish of the committee that we meet this afternoon? I should like to find out if any member wishes to call any other witnesses?

Mr. CAMPBELL: Colonel Chauveau, Colonel Steel and Mr. Mortimer.

Hon. Mr. CAHAN: I do not think political broadcasting was the important matter referred to this committee. I understand the first two paragraphs of the reference are the really important ones. If the committee decides to go on with political broadcasts, there are other phases of political broadcasting that might be gone into. I hesitate to take the time of the committee going into it, but if the committee is going ahead to deal with Mr. Charlesworth and others in the hope of ascertaining some methods of organization and administration which are likely to be more effective, I think that is one aspect of it that should be dealt with by this committee.

Mr. CAMPBELL: I agree with Mr. Cahan, and the reason we are asking these questions regarding political broadcasting is to try to bring out what happened in the past and then it is up to the committee through its reference from the House to bring in some recommendations as to how this should be handled in the future. We cannot arrive at it without the evidence being brought out.

Hon. Mr. CAHAN: Yes, but it should be brought out in its entirety, because I do not think either of you young gentlemen who were asking these questions mean to suggest, and as the evidence does not suggest, that Mr. Bennett used any personal influence with the Commission, or that Mr. Bennett's secretary did anything irregular in reserving time for Mr. Bennett's speeches.

Mr. CAMPBELL: I am not saying they did.

Hon. Mr. CAHAN: If you are going into the Ontario organization of the Liberal party, its national organization, its Toronto organization, or its Montreal organization and what these organizations did in the way of engaging time, that is one thing, but I would like to know how far you are going. I have no desire to go into these sort of things.

The CHAIRMAN: Might I say, Mr. Cahan, that as chairman of the committee I have tried my utmost to provide what the committee wishes in the way of witnesses. Some time ago—I think it was four meetings ago—it was decided that witnesses concerned with the Sage broadcasts should be called before this committee. Most of those witnesses have been called.

Hon. Mr. CAHAN: I did not know there was a decision reached with respect to that.

The CHAIRMAN: It was more or less of an agreement. Anyhow, the witnesses were called and most of them have been here.

What I would like to find out from the committee is whether they want any other witnesses brought here concerned with the political broadcasts because there are several people who are anxious to come before the committee.

Mr. MARTIN: May I say, as one who has put some questions in connection with the Sage broadcasts, that I have no more questions to ask in regard to those broadcasts. Mr. Campbell may have some on another angle of the matter.

Mr. CAMPBELL: It is merely in regard to the business and what we should do in the future.

Hon. Mr. CAHAN: I am anxious to see this committee proceed in eliciting some evidence that may be constructive.

Mr. CAMPBELL: I fully agree with that.

[Mr. Hector Charlesworth.]

Hon. Mr. CAHAN: Something that will be useful to this committee in dealing with the administration of the Radio Commission; but if this is to continue, this constant nagging about this, that and the other thing about Mr. Sage and the others, then you will drive some members of the committee into a similar sort of attitude which would not reflect credit upon the committee. That is my personal opinion. If we are driven to it, we may get into a political scandal.

Mr. CAMPBELL: As far as I am concerned, Mr. Cahan, I think half an hour would finish my questioning of Colonel Chauveau or Colonel Steel or Mr. Mortimer.

Hon. Mr. CAHAN: All I can say is that I will attend patiently until your evidence is elicited.

The CHAIRMAN: May I offer this suggestion, that we meet this afternoon at 4 o'clock. Do you want to hear Mr. Mortimer?

Mr. CAMPBELL: Yes.

The CHAIRMAN: You will want Colonel Steel on the stand, and to-morrow Mr. Dunlop of the Musicians' Federation of Montreal will appear. On Thursday Mr. Parkinson of the Trans-Radio Press of New York will be here, also members of the Canadian Radio League.

Mr. MASSEY: May I suggest that this whole question of political broadcasting is an exceedingly important one in many ways. There will be other elections coming, we hope, and during the course of these elections there will be applications made for the use of the radio to this Commission or whatever body may be operating the radio in Canada. There are those who have had extended and specific experience not only in provincial broadcasting but in national broadcasting, and a good deal of useful information has no doubt been gathered by means of that experience. We have had now ten or twelve sittings with particular reference to one broadcast. We hope during the course of our enquiries we will be able to separate much of the grain from the chaff and that we will have obtained some very useful information. I think it would be very wise to consider something specifically and directly constructive from the general rather than the specific point of view. A short time ago the question of political broadcasts was brought up in the United States, wherein both the major networks, Columbia and the N.B.C., were concerned. There was prepared by Mr. Paling, who was president of the Columbia Broadcasting System, a brief, or what was essentially a brief, for the purpose of explaining the position of that system in regard to political broadcasts. There are others in Canada who have expert knowledge of radio who could very well be brought before this committee, not in the capacity of witnesses on the stand and subjected to questioning such as we have had, but merely to give their opinion of the general situation and to answer questions by members of this committee, so that we may pick their brains and come to some rather definite conclusion in connection with the policy of political broadcasts in Canada. I think that is highly to be desired under the terms of reference. The same applies to the whole reference that we are to consider; that is, articles one and two as well as three. I am sure that I speak for many members of this committee, and perhaps all, when I say that I believe we have arrived at a stage where we feel we should proceed along constructive lines. It is taking a great deal of our time. Some of us, particularly the new members, who have much to do and much to learn, find that our time is very severely curtailed by attending twice a day to discuss these matters, especially those we have been discussing here. So that I earnestly suggest, with all due deference to you, that you take all steps possible towards the end which I have suggested, so that we may feel that we are accomplishing some definite purpose.

The CHAIRMAN: Have you any suggestions to offer as to whom we should call?

Mr. MASSEY: I shall be very glad to prepare a list and submit it.

The CHAIRMAN: If you wish, you could submit it to the sub-committee, and from the sub-committee it would come to the whole committee. I think every member of the committee desires that something practical may come out of this inquiry, other than from the political side of it.

Mr. MASSEY: I am personally deeply interested in the whole question of radio.

The CHAIRMAN: If there is anybody you care to bring before the committee, I wish you would let us know.

Mr. MASSEY: I shall be very glad to.

Mr. MARTIN: I should like to make one brief statement. Both Mr. Cahan and Mr. Massey have made statements that I do think should be made. I do not think that either one of them made them with the intention of being offensive, because neither one of them are so constituted.

Hon. Mr. CAHAN: I could not be offensive.

Mr. MARTIN: No. I am quite sure they were not intended to be that way, and I fully appreciate the attitude of some honourable members, because there has been more or less a monopoly of the questioning which I think, under the circumstances, was inevitable. But I think the committee should be made to feel that, at this stage, our work has not been in vain. I think a lot possibly have revealed nothing, but a good number have revealed a situation which I think will lead to a very constructive result. Speaking as one member of the committee, I should like to register my view that up to now this committee has functioned along very definite lines, and a good deal of constructive effort will result from its procedure up to date.

Mr. MASSEY: May I make clear to my good friend Mr. Martin and also Mr. Campbell that I was not at all trying to be offensive in what I said. I referred to the grain among the chaff which, I think, is a good farming term and also a Biblical term. I was not insinuating anything which might be regarded as derogatory to these two gentlemen by any manner of means. I am simply exceedingly anxious that we get into something which may be regarded as more particularly and specifically, and more concentratedly, constructive.

The CHAIRMAN: I have sat in the House with Mr. Cahan since 1921, and I do not think he would be offensive.

Mr. MARTIN: I was not suggesting that Mr. Cahan was offensive, because he has been very fair. He may have interrupted many times.

Mr. RYAN: I want to apologize for bringing this up—it seems to be in the air. But in connection with the quorum, it was suggested at the last meeting that we might reduce the number. Was anything definitely decided about it?

The CHAIRMAN: There was nothing definitely decided about that. But I certainly think we should reduce the quorum. Our quorum to-day is twelve. Two of our members are not here, Mr. Plunkett who died and Mr. Slaght who is in the hospital.

Mr. CAMPBELL: I would move that the quorum be reduced.

The CHAIRMAN: That reduced the number on the committee from 23 to 21.

Mr. RYAN: Is it necessary to get the consent of the House.

The CLERK: It has got to be reported.

Mr. CAMPBELL: I move that the quorum be reduced to 9.

Mr. RYAN: I second that motion.

Mr. CAMPBELL: And that permission be asked so to do.

[Mr. Hector Charlesworth.]

The CHAIRMAN: I have an appointment at 1.15 myself and I think everybody else wants to get away. Is it the pleasure of the committee that we sit this afternoon at four o'clock? I think we should try to sit this afternoon at four o'clock, because as I say, on Wednesday we shall not be able to sit.

Mr. MASSEY: It may not be our pleasure, but it may be so decided.

The CHAIRMAN: Then we will sit at four o'clock this afternoon.

WITNESS: Mr. Chairman, I simply wanted to say that before this committee concludes I should like to present certain views of my own as to political broadcasts.

Mr. CAMPBELL: That is just what I was going to ask you, to submit a brief.

WITNESS: Things that have arisen in connection with our own experience. There are certain very important things that have not been touched in this inquiry.

The CHAIRMAN: Would you present it to us in the form of a written document?

WITNESS: Yes. There are certain things I would like to present.

Mr. CAMPBELL: Have enough copies made so that each member of the committee may have one.

WITNESS: I will prepare a brief before the committee rises, within the next ten days.

The CHAIRMAN: I think it would be a good thing in view of the experience you have had. Then we shall meet at four o'clock.

The committee adjourned at 1.15 p.m. to meet again at 4 p.m.

AFTERNOON SESSION

The committee resumed at 4 p.m.

The CHAIRMAN: Gentlemen, if you will kindly come to order, we shall proceed. Mr. Charlesworth was on the stand this morning, and I think everybody was through asking him questions along those lines.

Mr. MARTIN: Mr. Ryan was asking him some questions.

Mr. RYAN: I had finished.

The CHAIRMAN: What is the wish of the committee?

Mr. CAMPBELL: Col. Steel or Col. Chauveau.

The CHAIRMAN: Col. Steel, would you kindly come forward?

Col. W. ARTHUR STEEL, called and sworn,

By Mr. Martin:

Q. Col. Steel, when you were before the committee the last time you told us what your connection was, as a member of the Radio Commission, with the Sage broadcasts. Is there anything that you wish to add to what you have already told us?—A. Nothing, sir.

Q. Nothing?—A. No.

Q. Did you have any communication or discussion with anyone at all about the Sage broadcasts other than the Commission?—A. No, sir; not that I remember of.

Q. Not that you remember?—A. No.

Q. Did you have any telephone conversations with anybody of the J. J. Gibbons Company?—A. No, sir.

Q. Did you have any communication of any sort with anyone connected with the J. J. Gibbons Company?—A. I sent the telegram which Mr. Charlesworth produced this morning, after discussion with the chairman.

Q. This is the telegram which was referred to this morning, addressed to Mr. Stapells:—

Toronto—No. 1752

Commission requests you alter your announcement Mr. Sage broadcasts to read: "This program is sponsored by Mr. R. L. Wright on behalf of the Conservative Party." This statement to be made at the start and end of the broadcast.

(sgd) "W. A. STEELE,
Canadian Radio Commission"?

A. That is right.

Q. I take it that the intention of the commission was that the public should know very definitely that this dramatization was under the auspices of the conservative party?—A. That was our idea.

Q. And I suppose that, interpreting the point of view of the commission then, it was not intended that it should be confined merely to the radio announcement but to all advertisements in connection with the broadcasts?—A. We have nothing to do with anything—

Q. I am not asking you that?—A. What did you ask me?

Q. I said: I suppose that interpreting the point of view of the commission then, it was not intended that it should be confined merely to the radio announcement but to all advertisements in connection with the broadcasts?—A. Our work dealt solely with the radio broadcasts.

Q. Looking back upon the event do you feel that the radio under the direction of the radio commission should be permitted to be used in a manner likely to deceive the public as to proper sponsorship?—A. No; I do not think anything should be done which would lead the public to a misrepresentation or misunderstanding of the sponsorship. That is why we took that action.

Q. Have you seen copies of the advertisements which appeared in the two Ottawa papers, to which I made reference this morning?—A. No.

Q. What do you say as a Commissioner as to any sort of sponsorship of those advertisements?—A. We have nothing to do with newspaper advertisements.

Q. When Mr. R. L. Wright's name appeared on the written advertisements did you think that was proper?—A. I have no comment to make on newspaper advertisements.

Q. You do not feel that your field extends that far?—A. No, sir.

Q. Referring to the written advertisements that show no sponsorship and which to this extent are a deception of the public, you feel that as one of the radio commissioners you had nothing to do with the deception to that extent?—A. We have no comment to make on newspaper advertisements.

Q. Will you please answer my question?—A. What is your question?

Q. Referring to the written advertisements that show no sponsorship and which to this extent are a deception of the public, you feel that as one of the radio commissioners you had nothing to do with the deception to that extent?—A. I feel that we had nothing to do with the newspaper advertisements.

Q. That is not what I am asking you?—A. It is the only answer I can give.

Q. That is for the chairman to decide?—A. That is the only answer I can give.

By the Chairman:

Q. What is your answer?—A. That we had nothing to do with the newspaper advertisements.

[Lt.-Col. W. A. Steel.]

By Mr. Martin:

Q. I take it, Colonel Steel, that the radio commission was established, among other things, to see that the facilities of the radio were properly used, is that right?—A. I believe so.

Q. And you have regulations against certain kinds of advertising over the radio such as patent medicines and the like?—A. That is correct.

Q. And you stop them in the interests of the public?—A. We regulate them in the interests of the public.

Q. Do you confine yourself merely to what is said over the air in the case of patent medicines, for instance?—A. Yes.

Q. If an advertisement in the paper advertises a broadcast with respect to patent medicines and that advertisement is obviously a misrepresentation, does the commission feel that it should intervene?—A. No, sir.

Q. I notice that your wire stated: "This program is sponsored by R. L. Wright on behalf of the Conservative party." As a matter of fact, all the advertisements, Colonel Steel, show, apart from this sponsored program by Mr. R. L. Wright, that your instructions with respect to sponsoring in the name of R. L. Wright and the Conservative party were never carried out. Did you follow the matter up beyond this telegram?—A. Those instructions pertain to the broadcasts, and it is my understanding that the instructions were carried out after the receipt of the telegram.

Q. Did you listen to the broadcasts?—A. I heard one of them, I think.

Q. Which one was that?—A. The fourth or fifth.

By Mr. Campbell:

Q. On your first appearance before the committee you told us you had charge not only of the technical part but a portion of the business part of the work of the commission. We have had a considerable amount of discussion with regard to the time that certain employees were taken on CRCT. I would like to ask some questions in that regard. Could you explain, to save time, how CRCT, the present set-up, came over to the commission and why it had not come over in 1933 when you appointed Mr. Maxted first?—A. In 1933 we effected a contract with the Canadian National Carbon Company for the use of their studios, and that contract included the operation of the studios on behalf of station CRCT, which we had at that time just leased from Gooderham & Worts in Toronto.

Q. On what basis?—A. The basis was complete operation to the satisfaction of the commission.

Q. What rental did you pay?—A. The contract included a definite rental; I have not those figures with me. The contract can be made available if you want it.

Q. And assuming all the employees?—A. All I remember about it, to be accurate, is that there was a sliding scale of so much for the first year, and if we carried on a second year or third year the price came down.

Q. What about the authority over the employees? Who had control over them?—A. The Canadian National Carbon Company.

Q. All control?—A. All control.

Q. With the exception of Mr. Maxted?—A. He was our direct appointee.

Mr. HANSON: I would like to ask for a copy of that contract.

WITNESS: Perhaps the secretary will be good enough to make a note of that.

By Mr. Campbell:

Q. This arrangement was quite satisfactory to the commission?—A. It was very satisfactory at the time.

Q. Why do you say that? Was there a change?—A. As our work developed we found that we required a little more scope and the Carbon Company found it

difficult to meet that, and decided to terminate the contract at the end of August, 1935.

Q. This contract was not drawn up for any length of time?—A. Under the contract it was possible to carry on under specific arrangements from year to year, renewable from year to year.

Q. How long did it last, two years?—A. It lasted two years, yes; slightly over two years.

Q. And they did not wish to renew again afterwards?—A. No. They wanted to terminate the contract; at least, they were not in a position to meet our requests and decided that it would be better for them to drop the contract and let us take over under a different arrangement.

Q. When was that arrangement made?—A. Some time in July, 1935.

Q. What preparations did you make for the taking over? You were notified in July and you knew you would only have the station to the end of August. What did you do as a commissioner?—A. The contract called for one month's notice of termination, which was given about the 25th, 26th or 27th July, and the Carbon Company then made arrangements to terminate their work for the commission as from August 31.

Q. You had two notices before the committee, one to Maxted and one to Lucas, and I take it that no doubt similar ones were sent to the other employees. How was it, in view of the fact that you had notice that your connection with the Carbon Company was ending on August 31 you did nothing about the employees until September 17?—A. It is not correct to say we did nothing. We submitted our slate to the Privy Council in the usual way and did not succeed in getting it until September 17.

Q. Did you take any action with regard to keeping these boys on?—A. No action could be taken until we had the approval of the Privy Council.

By Mr. McIntosh:

Q. Would you say the delay was due to the pending election?—A. I am not prepared to say why the Privy Council took no action. All I can say is that we submitted our list to the Privy Council in plenty of time, but apparently they were too busy to take action.

By Mr. Campbell:

Q. Can you tell us the date on which you submitted your list to the Privy Council?—A. No. Our records will show that.

Q. Did you as commissioner try to hurry up the Privy Council?—A. I did not handle personnel directly; the secretary would do whatever was done.

Q. Mr. Gibbons in his evidence this morning submitted to us a list of all those who took part in the Sage broadcasts, and I see Mr. Herbert Walker was paid \$5 each for September 7, 14 and 21. Apparently Mr. Walker was an employee of the commission on the same basis as Mr. Lucas and Mr. Maxted. Was there any special action ever taken? Did you notify all these employees on September 17?—A. I do not know; you will have to ask the secretary, who would send out those notices.

MR. CAMPBELL: Could we have P.C. 4-49 produced? We have the other order in council which engaged all the other employees. We only moved for P.C. 11-268, and we have that. Mr. Walker and some others are on this other order in council.

THE CHAIRMAN: Do you want that order in council produced, Mr. Campbell?

MR. CAMPBELL: Yes, please. It is P.C. 4-49.

Q. In view of the fact that Mr. Lucas and Mr. Walker, whom you understood to be carrying on your work— —A. At what date?

[Lt.-Col. W. A. Steel.]

Q. At no time did they cease carrying on your work in Toronto. Mr. Maxted, Mr. Lucas, Mr. Meisner, Mr. Milne, Mr. King, and so on?—A. Yes, those men continued to carry on.

Q. You considered them your employees?—A. We did not consider them our employees until we had authority to take them on.

Q. They were doing your work under your authority and taking orders from you as commissioner?—A. That is right.

Q. They were receiving money from outside firms, as was adduced in evidence. Is this not contrary to the practice?—A. I knew nothing about Mr. Walker until this morning.

Q. Do you allow your announcers to take outside fees?—A. Not when we know of it.

Q. Your regulations say they cannot do that?—A. It is not our regulation; it is a Dominion Government regulation.

Q. They are full-time employees?—A. Yes.

Q. About that time there was considerable correspondence between the comptroller of the treasury and yourself as commissioner regarding the pay of these announcers. Apparently you wanted them paid on a contractual basis. Can you explain the reason for that recommendation?—A. We have had them both ways. Early in the experience of the commission we employed our announcers on a contractual basis and paid them as artists for just what work they did for the Commission and the time they were employed by the Commission. Later on it was changed and these men were brought in under an order in council. Now, as you are perhaps aware, broadcasting, by its very nature, changes and changes very rapidly. We felt that if we could have these men under a contractual basis it would leave us with a freer hand, and we could perhaps give better service to the public, keeping in mind the changes that take place in the art, by putting them on a contractual basis. By "contractual basis" I mean the actual time employed as announcers; in other words, the same as an artist.

Q. Then, of course, those who were paying for the program could ask for their own announcers?—A. If they wished to do so.

Q. Was that done?—A. I do not know; I do not handle programs.

Q. Apparently they were not paid weekly. Their cheques were sometimes held up, I take it from this correspondence?—A. I would much prefer that you query the people who actually carried on that correspondence rather than ask me.

Q. You are a member of the commission?—A. I am, but I cannot remember all the details of that correspondence.

Q. But this change was decided by the commission?—A. The general principle that I have enunciated was a decision of the commission, who were not able to put it across.

Q. Can you explain how it is that the announcers, although on this basis of pay, were getting the same amount per week in Toronto, \$28.84?—A. The announcers are not on a contractual basis. The Privy Council turned that down.

Q. But is it not a fact that over a considerable period last year their cheques were held up?—A. It was late in the fall before we got authority to deal with the announcers at all. We had a good deal of correspondence about it, and it was after the election before we got a decision, and that decision was that they would come under an ordinary Privy Council decision.

Q. How do they set the pay of these gentlemen?—A. That is done by the program staff. Mr. Bushnell is our program director. I have nothing to do with setting the rates for the announcers.

Q. As commissioner you should have some interest in your employees, to the extent of knowing what they are paid. The announcers in Montreal

apparently received \$45, \$45, \$35, while the announcers in Ottawa received \$23, \$20, \$20.08 per week, and the announcers in Toronto received \$28.84, \$28.84, \$28.84?—A. These artists were recommended by the managers in the respective centres.

Q. The commission took no steps as to uniformity of wages?—A. I do not think that is possible.

Q. Why?—A. Because the ability of men differs.

Q. Do not they differ in Toronto?—A. You will find a difference in the rating of men in Toronto, they are not all paid the same rate.

Q. Yes. The chief announcer gets \$46.15; the senior announcer gets \$32.30, and there are three announcers who receive the same rate of \$28.84. In Montreal there does not appear to be an announcer with the title of chief announcer, but the announcers receive \$45, \$45, \$35, \$25 and \$35?—A. That is what I pointed out, that they are not paid the same rate.

Q. Why?—A. Because they have not all the same ability.

Q. Then we come to Ottawa: \$23, \$20, \$23.08, the only announcers in the entire station. Do you mean to say you cannot find as good announcers in Ottawa as you can in Montreal or Toronto?—A. Certainly we cannot find as good announcers in Ottawa as we can in Toronto or Montreal.

Q. Was there anything wrong with hiring a few more good men and putting them on an equal basis?—A. We have a very limited budget, Mr. Campbell, and we are getting this work done as cheaply as we can.

Q. Do you think the idea of different wages in different centres is good?—A. I see nothing wrong with it.

By Mr. McIntosh:

Q. Would the fact that Toronto, Montreal and Ottawa might be in different wage zones have anything to do with the amount of money you paid each one of these artists, under the Labour department?—A. We did not query the Labour department with regard to these payments, Mr. McIntosh.

By Mr. Campbell:

Q. How were they set?—A. As I said before, on recommendation from the managers in these centres.

Q. I find them different in different stations?—A. As far as the program staff is concerned, that is pretty largely the case. These salaries are recommended by the managers in the various areas.

Q. And you feel that that is good business?—A. Yes.

Q. In Windsor we find one announcer, who happens to be Mr. Aylen, the acting manager, getting \$1,800 a year, another announcer getting \$25 per week, and another getting \$20 per week. It struck me as most peculiar that there was no uniformity of wages. Are the announcers in each station on the same basis as regards outside employment?—A. Yes.

Q. They are all on full time?—A. Yes.

Q. Whether getting \$20 or \$45 per week?—A. Yes.

By Mr. McIntosh:

Q. Your point is that the wages paid were paid entirely on a basis of efficiency?—A. Yes, I think that is correct.

By Mr. Ryan:

Q. Do you say that the wages paid were paid strictly on a basis of efficiency?—A. Yes.

Q. You did not suggest that before. You said you relied on the recommendations of the respective managers?—A. They considered efficiency in their respective districts.

[Lt.-Col. W. A. Steel.]

Q. Then the commission have to pay the wages?—A. Quite.

Q. Do you suggest that they are more efficient in Montreal than they are in Ottawa?—A. I suggest that they have a great deal more work to do and are called upon to accept a great deal more responsibility in Montreal than they are in Ottawa.

Q. Do you know that to be the fact?—A. I know that is the fact. We produce many more network programs in Montreal than in Ottawa.

Q. It is only a question of time?—A. No; it is a question of the importance of the program.

Q. Does time enter into it?—A. What do you mean by "time"?

Q. Time employed.—A. No.

Q. You said you did listen to one of these Sage broadcasts, did you not?—A. I did.

Q. The fourth or fifth?—A. I have forgotten which one, towards the end of the series.

Q. Did you find anything objectionable in that particular broadcast to which you were listening?—A. No; I did not hear anything objectionable in the one I listened to. I listened mainly to see that the announcement over the air was in accordance with our request.

Q. I am asking you directly.—A. I told you I did not find anything objectionable in the one I heard.

Q. Was the one you listened in on prior or subsequent to your conversation with Mr. Charlesworth?—A. I cannot answer that accurately; it was towards the end of the series. That is all I remember.

Q. You remember that Mr. Charlesworth told you there was a suggestion of personalities?—A. He told me at the start.

MR. CHARLESWORTH: There was nothing offensive after the first two broadcasts.

MR. McINTOSH: I understand the second broadcast was worse than the first.

MR. CHARLESWORTH: It was not as bad as the first.

By Mr. Martin:

Q. Was there not something very offensive in respect to Mr. Woodsworth in the fifth broadcast?—A. I did not hear it.

By Mr. Campbell:

Q. Colonel Steel, you heard the evidence of Mr. Powel the other day, also the evidence of Mr. Charlesworth this morning regarding the Commission acting as agents of Mr. Bennett and the Conservative party. You knew of the regulation regarding payment in advance for political broadcasts. Did you have anything to do with the extending of credit in this case?—A. No more than I was acquainted with what the Commission was doing and I saw nothing wrong with it.

Q. You were consulted about it.—A. I do not say I was consulted, but I was present when the matter was discussed and heard what was being done.

By Mr. Martin:

Q. In connection with the broadcast that you heard, did you listen to the final announcement at the end of the program?—A. I listened right through in order to check the request made in that telegram.

Q. The request was that the announcement which the Commission provided for should be given both at the beginning and the end of the program?—A. Yes, sir.

Q. I see a letter in the files from Mr. Powell to Mr. Rice, manager of Radio Station CFRN, C.P.R. Building, Edmonton, Alberta, and this letter reads as follows:—

With reference to my wire No. 1701, the same procedure will be followed on the Provincial broadcasts, September 28th and October 5th, i.e., you will continue to carry the Mr. Sage broadcast until approximately 10.38 p.m., E.S.T.

Following the closing announcement,

“We will visit Mr. Sage again next Saturday night at this same time.”

The wire companies will cut your station from the National network and you will then join the Provincial network, the speaker to be from your studios on September 28th and from CFCN on October 5th.

That is signed by Mr. Powell. That obviously indicates that the words which you wired to Mr. Stapells namely, that it was to be announced at the end and at the beginning—that was not followed in the case of the broadcast on the 28th and on the 5th?—A. The announcement which we requested should be put in on the Sage broadcast would naturally be put in by the announcement in Toronto and would go out over the network; but as to this station in Edmonton or Calgary cutting off before the final announcement was made, of course, they would not get that announcement over the air.

Q. If a person broke in at the beginning, let us say after the first few sentences of the program on the 28th, not having heard the announcement at the beginning, such person or persons would not know by whom these programs were sponsored, according to the instructions given by Mr. Powell on behalf of the Canadian Radio Commission?—A. Without having the script, I could not give you a definite answer, because I do not know where the words that we requested should be inserted came in the script.

Q. Here is your telegram,—A. I remember the telegram.

Commission request you alter your announcement Mr. Sage broadcast to read quote this program is sponsored by Mr. R. L. Wright on behalf Conservative party unquote this statement to be made at start and end of broadcast.

A. If that statement came in immediately after the dialogue it would then still come in before that closing announcement.

Q. You do not know whether it did or not?—A. I could not say without seeing the script.

Mr. CHARLESWORTH: They were evidently feeding that Mr. Sage in as part of the Conservative broadcast. You will see it goes into the Provincial hookup. It was then that Mr. Sage was being taken as part of a program of a provincial hookup.

By Mr. Martin:

Q. There is some rule, Colonel Steel, is there not, that all scripts used on an occasion of this kind particularly are to be kept in the station in which they are given?—A. Our regulations state that the scripts in connection with broadcasts are to be kept at the station and made available.

Q. This committee is in the unfortunate position of not having before it the script, because no one has it. Mr. Gibbons told us this morning that he has not got it and your people in Toronto tell us they have not got it. That is clearly a violation of the rules of the Radio Commission, is it not?—A. That script should be at some one of the stations, yes.

By Mr. Campbell:

Q. You have had considerable experience with radio; may we ask you the same question we asked Mr. Charlesworth and Mr. Powell, to submit us a brief

[Lt.-Col. W. A. Steel.]

of your ideas for handling a political broadcast?—A. I will be prepared to give you a statement if you care to have it.

Q. We would like one for each member of the committee, with your experience. It is all we can go by.—A. All right, sir, I will be glad to do that.

W. R. MORTIMER, called and sworn.

By the Chairman:

Q. What is your official occupation? Are you an accountant?—A. Accountant.

Q. Of the Canadian Radio Commission?—A. The Canadian Radio Commission.

By Mr. Martin:

Q. Mr. Mortimer, the other day Mr. Powell was telling us that you might be able to supply certain information which he felt he was unable to supply. He told us as of several weeks ago there was owing to the Commission the sum of \$21,000, and we were told that Mr. Bennett was personally billed for this account. Do you know that to be a fact?—A. Yes, that is right.

Q. Did you arrange for the billing?—A. I did.

Q. And the account was addressed to Mr. Bennett personally?—A. Yes.

Q. For \$21,000?—A. A little more.

Q. Well, whatever the amount was?—A. Yes.

Q. I understand it has all been paid less \$6,000?—A. A little over six thousand.

Q. How much?—A. Six thousand two hundred and some odd dollars.

Q. Have you the cheques showing partial payment on this account?—A. I have not the cheques. The cheques have been cashed.

Q. Who were they made out by?—A. I am quite sure they were made out by Mr. Earl Lawson.

Q. By Mr. Earl Lawson?—A. Yes.

Q. Per anything?—A. I would not say. I could not say. We do not usually keep track of the cheques. All we are interested in is the account to which they are credited. The cheque goes through to the bank.

By Mr. Campbell:

Q. Mr. Mortimer, how long have you been with the Radio Commission?—A. Since June, 1933.

Q. You were previously connected with a department of the government?—A. Yes.

Q. Which one?—A. The Interior.

Q. In what capacity?—A. I have been connected with the accounts branch there for many years.

Q. You are on loan?—A. On loan, yes. Still on loan.

Q. Not a permanent employee?—A. A permanent employee of the Interior Department; on loan to the Radio Commission.

Q. What have been your duties?—A. In the Radio Commission?

Q. Yes?—A. Well, I record all the financial transactions for the Commission, put all the accounts through for payment and collect all the accounts receivable and anything else relating to finance.

Q. Do you have anything to do with extending credit?—A. Well, we try not to extend any credit.

Q. When credit is extended, do you have anything to do with making a decision or recommendation?—A. Sometimes I might be asked if so and so pays his debts.

Q. But you have nothing to do— —A. With actually extending it?

Q. Yes?—A. No.

Q. No contracts come to you?—A. No, there are really no credits extended to any extent. We call it a cash business.

By Mr. McIntosh:

Q. You keep in touch with the Radio Commission, though, with regard to the accounts that are paid and those that are not paid?—A. Yes.

Q. In connection with the \$6,000 that has not been paid, have you rebilled that?—A. It is being rebilled.

Q. Who are you rebilling it to?—A. We will send the bill to Mr. Earl Lawson who paid the last one. He has assumed responsibility.

Q. It is to Mr. Lawson the rebilling is going?—A. Yes. This is the time of the month they go out.

Q. When do you expect a cheque for that?—A. I could not say. We got the last cheque on the last day of March and it was on account.

By Mr. Campbell:

Q. Can you explain why the stations were paid for their time and not the line companies out of the cheque you did get?—A. I think the lines have been paid, except the lines where the Canadian Radio Commission were used, and, of course, the Canadian Radio Commission receives the revenue for that.

Q. The balance is practically all owing to the Radio Commission?—A. I think it is all owing to the Radio Commission.

By Mr. Martin:

Q. I suppose you have some accounts that will show that certain commission studios have been rented to various organizations and various people?—A. Rented?

Q. Yes?—A. No, we do not rent them.

Q. You mean you give the studios free to whoever wants them?—A. When they buy time in a studio, that includes the use of it.

By Mr. Campbell:

Q. Do you have anything to do with the payment of salaries?—A. Put through the accounts and make up the salary pay list and put through the accounts for payment.

By Mr. McIntosh:

Q. You said that as far as the accounting department was concerned it was to a very large degree a cash business?—A. Yes.

Q. About how much would you have on the books at any time when it was not a cash business?—A. Outstanding?

Q. Yes?—A. Over \$20,000 probably.

Q. Is that commercial?—A. That is just that we have that much on the books at one time, but it may be that most of the money is in the stations in the various cities. That is not our own office.

Q. Would you say that was at least the amount when the accounts outstanding were fluctuating?—A. Yes.

Q. What would you say was the highest figure in a year?—A. The highest figure I know of was about \$30,000.

Q. And the lowest?—A. I could not say. When we started, we had not any, of course. It is fluctuating between \$30,000 and nothing.

Q. In connection with those outstanding accounts would they be commercial or a combination of commercial and political?—A. From the accounting point of view, they are all the same. They are all commercial.

[Mr. W. R. Mortimer.]

By Mr. Campbell:

Q. Do you make out the cheques for the payment of all programs as well?
—A. No, the finance department does all that.

Q. You O.K. the accounts?—A. Yes.

Q. You O.K. the expense accounts?—A. Yes, I check the expense accounts.

Q. I note through a lot of the correspondence here with both the Auditor General and the Comptroller of the Treasury that there are numbers of your employees who are paid through program expenditure. Do you know to what extent that is carried out?—A. Well, for a time at the commencement quite a number of people were paid through the program department.

Q. Yes, but this is even quite lately. What about the employees at CRCK in Quebec? What basis are they on?—A. The employees are all on straight salary, a government appointment.

Q. All on government salaries, are they?—A. Yes.

Q. Are not certain other employees still being paid?—A. In Quebec, not that I know of.

Q. Not only Quebec, in other places?—A. Well, not what you would call employees. There may have been some. We have questions in the way of producers—

Q. A large amount of the \$400,000 that was charged to programs has really been paid out, that is, of the last fiscal year, in wages to Commission employees, am I correct in that?—A. No, I would not think that would be correct. It is not correct to say that.

Q. Well, to what extent?—A. Well, there are some artists employed that receive more or less of a regular fee, but they are still artists, producers and so on. A technical point has come up from time to time as to whether they should be on salary or not.

Q. Did you have anything to do with Mr. Bushnell's trip through the West and the expenditures?—A. Which one was that? I examined the accounts and put them through.

Q. I beg your pardon.—A. I checked the accounts and put them through.

Q. Was there not some question about payment?—A. Which trip would that be? He has had several through the West.

By Mr. McIntosh:

Q. While Mr. Campbell is looking that up, how long did you say you have been with the Commission?—A. Since June, 1933.

Q. During that time did you ever write off any bad accounts?—A. No, sir.

Q. None?—A. No, sir. We have a few still carried.

MR. CAMPBELL: This was in connection with a trip that Mr. Bushnell took out west, and I happened to see something regarding it a few days ago in one of the Commission files.

By Mr. Hanson:

Q. Before you took over the accounts, was there any accounting done in the Commission?—A. They had only been in existence a short time before that, and the accounting was done by the Commissioners, or the secretary put through the accounts at that time.

Q. Did you find the books in good order when you took them over?—A. All the books were kept in the Department of Finance at that time. There was no complete record of those expenses.

Q. The reason I ask is that I was trying to get the accounts from 1933 and it is impossible to get any accounts.—A. We have all the accounts from the 1st of April, 1933, on complete. The ones previous to that, the vouchers, are complete, but the details of the accounts may be difficult to determine. The vouchers are complete.

By Mr. McIntosh:

Q. That covers a little over three years?—A. Yes.

By Mr. Hanson:

Q. Those previous accounts were never audited by anybody?—A. Oh, yes, and put through the same as they are to-day.

Q. But not audited?—A. They were then too. They were always audited. The Radio Act limits or places all accounts of the Canadian Radio Commission under the Consolidated Revenue Act and also authorizes them to be audited by the Auditor General of Canada, and they have always been so since the beginning.

Q. Are they audited now by the Auditor General?—A. Yes, and since the beginning in October, 1932.

By Mr. McIntosh:

Q. You mean since April, 1933?—A. No, since the first cheque was issued for the Radio Commission they have been audited by the Auditor General.

By Mr. Hanson:

Q. Why was it impossible to get an audit in 1933 if they were audited at that time?—A. You could not get the account?

Q. No.—A. I think I could get you any account you wished for.

Q. We could not get it here. That was taken up several times and we were told they were not responsible to any department, that the Auditor General had nothing to do with it?—A. I think I can get you any account you wish to get.

By Mr. McIntosh:

Q. That means that no matter what item we want in connection with your accounts that we can get it through you if we ask for it?—A. I think so. Yes.

By Mr. Campbell:

Q. This trip of Bushnell's, apparently in 1934, that was in September between September 22 and October 27; is that correct? I note there was considerable criticism of the commission by the Auditor General of the accounts that were allowed. Who O.K.'s these accounts? Do you O.K. them all?—A. No, the commission itself does the O.K-ing.

Q. The commission themselves O.K. them after you check them?—A. Yes, after I check them.

Q. You check them all?—A. Yes. At that time we had another officer who served, and who had wide authority in the commission at that time. He probably O.K.'d that.

By Mr. McIntosh:

Q. What does your checking system involve?—A. The checking of the whole account.

Q. Checking as to the correctness of the total, and what it is for?—A. What it is for, and if it is within our regulations or not.

By Mr. Campbell:

Q. Mr. Bushnell was on a trip there, apparently employed by the Canadian National Carbon Company at the time, the commission apparently paying his expenses?—A. That is right.

Q. They made an allowance to him of \$1,700. \$1,700 was advanced and the Canadian National Carbon Company were afterwards paid \$1,948.32; a total of \$3,648.32?—A. I think probably the \$1,700 in that case would be refunded.

[Mr. W. R. Mortimer.]

Q. Would be refunded?—A. To the Radio Commission I think probably that is what happened. The total would be \$1,948.

Q. According to the correspondence, it does not show that?—A. The record would show that.

Q. Here are certain expenses that would make us rather wonder about your checking: breakfast, lunch and dinner \$10.25; breakfast, lunch and dinner \$10.80; breakfast, lunch and dinner \$11.65.

Mr. McINTOSH: Those must be luxurious lunches.

Mr. CAMPBELL: Lunch \$2.25, dinner \$3.00, dinner \$4.00. I have travelled myself considerably and I am a fairly healthy eater but this seems extraordinary. The next claim made is for a room at \$10 per day; and lastly comes valet charges amounting to \$44.81, with no vouchers. Is it not customary before you check these accounts as O.K. to see that the vouchers are there?—A. I would have to go right into that account to tell you. That account did not pass as it was submitted. It was returned.

Q. It didn't pass? Why did you pass it on?—A. I did not pass the account until we got it from the Canadian National Carbon Company. He was their employee. They O.K'd the account and I had no alternative but to pass it for the commission.

By Mr. Ryan:

Q. What work did he do?—A. He is now Director of Programs.

By Mr. McIntosh:

Q. Has he any other help as Director of Programs?—A. He has all the regional program directors and the other program staff.

By Mr. Campbell:

Q. So far as you are concerned the point is that this account was O.K'd and sent to the Auditor General by your commission?

By Mr. Martin:

Q. There is only one person on that party?—A. I can't say. I wasn't there.

By Mr. Campbell:

Q. There is another trip here as late as September 18th to October 30th of last year, in which case we find that Mrs. Bushnell registered and appears in the hotel account. True enough, there is something in the way of explanation of the registration at the hotel, but there is no check regarding whether or not her meals were paid for.

Mr. MASSEY: May I submit that Mr. Bushnell is available and it would be rather more fair to question him about this.

Mr. CAMPBELL: This is public money, and this man is the man on the commission who should be doing the checking up. I was trying to find out what checking he did.

Mr. MASSEY: I think Mr. Mortimer said this was O.K'd by the commission. That was the extent of his responsibility and I do not think he should be questioned further.

Mr. CAMPBELL: These are public accounts.

By Mr. Campbell:

Q. Suppose we leave Mr. Bushnell alone for a while. Here is Mr. Maher who was a commissioner. His expense account would be O.K'd in the same way?—A. Yes, in the same way.

Q. Here is 10 meals, \$45.50; gratuities, \$25.60 on August 3, 1934?—A. For how long a period would that be?

Q. That would be from August 3rd to August 10th. Gratuities, \$25.60. Would they have to be supported by vouchers?—A. Vouchers were not received for meals, gratuities and items of that kind.

Q. You can pay any amount you like and it passes?—A. Practically.

Mr. MASSEY: I submit that is not a fair question and that is not in order. He insinuates that these expenditures are out of order.

Mr. CAMPBELL: There is no insinuation at all. I am just trying to find out about the expenditure of public funds.

By Mr. MacKenzie (Neepawa):

Q. Is that the Canadian National Carbon Co.?—A. No, this is Mr. Maher; Mr. Maher was vice-chairman of the commission.

By Mr. Campbell:

Q. Here is August 11 to 19: gratuities and transportation, \$11; gratuities, \$6.55; meals as per hotel account, 50 cents; meals as per expense sheet, \$8.50; board as per expense sheet, \$49.50; and so on. Here is another, August 24th, meals as per expense sheet, \$25.70; gratuities, \$6.60.

The CHAIRMAN: If I might offer the suggestion, Mr. Campbell, I think that the committee will have to spend two or three days going into this, what you may term the administration of the Radio Commission, Mr. Maher will be available and probably we should take that up at that time; if that is agreeable.

Mr. CAMPBELL: It is agreeable to me.

The CHAIRMAN: Is that agreeable to the committee, or do you wish to take it now? I am in the hands of the committee.

Mr. CAMPBELL: I thought while we had him on the stand he might be able to tell us something about this.

The CHAIRMAN: If you wish to, go ahead.

Mr. CAMPBELL: We will just clear up this one then. Here on August 26th is a charge of \$20 for a room at Vancouver for one day.

Mr. MARTIN: For one day?

Mr. CAMPBELL: There is no explanation given of this apparently excessive charge.

Mr. MARTIN: Whose was that?

Mr. CAMPBELL: One of the commissioners.

Mr. McINTOSH: I think we should take a little time to digest these prodigious figures.

By Mr. Campbell:

Q. Here is another, \$11 for a compartment. The vouchers submitted in support are one for a compartment, \$4.25; another for a section, \$6.75. Apparently he slept in two different places on the same night.—A. I think before the account would be paid those items would be checked up.

Q. Those were all O.K'd, either by you or the commissioners and sent to the Auditor General and checked by them?—A. May I have the date of that?

Q. Yes. July 19, 1934; and this is the letter of the Auditor General back to Mr. Charlesworth; "There are many evidences, etc." I just wanted to know who is responsible?—A. At that time we had another official on the staff who O.K'd these accounts.

Q. Did he O.K. these?—A. Yes.

[Mr. W. R. Mortimer.]

Q. And the commissioners would not have anything to do with it? In this case it is the commissioner himself, the vice-chairman of the commission.

By the Chairman:

Q. Where is that official now?—A. I think he is available.

Q. Is he still with the service?—A. His title was executive assistant; Mr. Shaver, now representative of the Treasury Department on the Commission.

Mr. SHAVER: He did not live up to his name apparently.

Mr. McINTOSH: I think we should have each one who has been responsible in connection with these outstanding expenditures before us. Who is the individual in this case?

The CHAIRMAN: Mr. Shaver was on loan from the Auditor General's department, of the Department of Finance.

WITNESS: From the Department of Finance.

By Mr. Hanson:

Q. You had no authority—when it was O.K'd by the Commission you had to send it on to the Auditor General?—A. That is right.

Q. You would have the power to suggest that some of these accounts were out of order?—A. Yes. I did that regularly. If it passed with my observations on it I put it through in the regular way.

By Mr. Martin:

Q. What about personal telephone calls?—A. We would collect those. Our system for telephone calls was, for every telephone call made there is a slip made out showing the name of the person who makes the call, the date, who it is and so on.

By Mr. Campbell:

Q. Here is another letter from the Auditor General. This is dated July 16, 1934, and it is addressed to the chairman of the Radio Commission. It says:—

Re Telephone Tolls. In the examination of the accounts for telephone service of the Radio Broadcasting Commission for the fiscal year 1933-34 I find charges for long distance calls as follows:—

Number of calls	From whom	To whom	Amount
31	Landry, Ottawa.. . . .	5088, Quebec.. . . .	\$68 65
6	No name, Ottawa.. . . .	5088, Quebec.. . . .	12 75
1	Landry, Quebec.. . . .	Landry, Quebec.. . . .	1 85
6	Landry, Quebec.. . . .	No name, Ottawa.. . . .	11 10
9	Maher, Ottawa.. . . .	5205, Quebec.. . . .	15 25
8	Maher, Ottawa.. . . .	Maher, Quebec.. . . .	22 05
1	No name, Ottawa.. . . .	5205, Quebec.. . . .	1 45
1	No name, Ottawa.. . . .	Maher, Quebec.. . . .	1 85
5	Maher, Quebec.. . . .	No name, Ottawa.. . . .	17 65
1	Maher, Quebec.. . . .	Maher, Ottawa.. . . .	1 85
1	Maher, Ottawa.. . . .	Maher, Tadousac.. . . .	2 70
3	5205, Quebec.. . . .	No name, Tadousac.. . . .	2 90

The above names and 'phone numbers would indicate that some or all of these might have been for personal calls and therefore were not properly chargeable to Government funds. Please state if they were all incurred on Government business.

A. Have you the reply to those?

Q. The reply was not in the correspondence?—A. They must have been replied to and it would give the reason.

Q. Apparently they were O.K'd and paid?—A. And the replies to these letters would explain the reason why.

Q. Is it customary for the Auditor General to question all these accounts you have checked?—A. When I question these accounts if they tell me it is personal I collect, and if they tell me it is a government call I have no alternative but to put it through.

By the Chairman:

Q. In other words, you take your orders from the commission?—A. Yes, they are my superiors.

By Mr. Campbell:

Q. You made no effort at all on these Quebec calls apparently?—A. We have no way of telling.

Q. Apparently the Auditor General became suspicious when he saw the account?—A. That is what made him question it, so many for the same numbers. But, they may have government business for all of that.

Mr. MARTIN: For instance, take these things Mr. Campbell was reading out; surely, it would not have appeared sensible for him to have been paying \$10 daily for—what was it, meals?

Mr. CAMPBELL: That is the hotel room, nine days at \$10; and one room, \$20.

By Mr. Martin:

Q. All that money comes out of the commission?—A. Yes.

Q. And if the money had not been spent for that purpose it might have been spent in the improvement of programs and so on?—A. Quite.

Mr. RYAN: Can you give me an explanation about these gratuities?

The CHAIRMAN: He did not hear your question.

By Mr. Ryan:

Q. Can you tell me what the word gratuity means?—A. Tips.

Mr. RYAN: Oh, tips.

By Mr. Campbell:

Q. There are many others here of a similar nature. The Auditor General apparently is kept quite busy writing back to the commission checking expense accounts that have been O.K'd by the commission?—A. That is right.

Q. Is this a customary business in the government?—A. No. I had previously checked them and drew their attention to it. If they O.K'd it I had nothing to do but put it through.

Q. In other words, the commission were pleased to spend money in this way?—A. Mr. Maher was Vice-chairman.

Mr. MASSEY: I do not think that is a fair question at all.

The CHAIRMAN: I did not hear the question.

By Mr. McIntosh:

Q. What was your reaction to some of these large accounts? What did you think of it yourself, personally? You have been in the business of accounting and you must have run across a good many accounts of this type?—A. Lots of them. I did question them at the time.

Mr. MARTIN: I think this is a very serious matter. We have been told that this commission has not been able to function as it intended, or as it wanted to, because of the limitation of appropriations made by parliament to the commission, and here we find there are some exorbitant expense accounts. We do not know where this may lead to, and it is a very important matter.

[Mr. W. R. Mortimer.]

The CHAIRMAN: I quite agree with you, Mr. Martin, that the question is very important, and the reason why I suggested to Mr. Campbell that we should possibly go into this later on was on account of the importance of it, not because I wanted in any way to curtail it.

Mr. MARTIN: No, no. I did not want to suggest that we should go on to-day. However, I think it is a matter that certainly should be looked into.

The CHAIRMAN: And it will be. The order of reference gives that instruction.

Mr. McINTOSH: There is this to it, Mr. Chairman; we collect a million and a half in radio licences—do we not?

WITNESS: About that.

Mr. McINTOSH: It would not take long to eat up that million and a half with some of these bills.

WITNESS: There are very few like that.

Mr. McINTOSH: There would not want to be or we would very soon have that million and a half absorbed.

The CHAIRMAN: If it is the opinion of the committee we will go into this matter of financial administration fully later on.

Mr. CAMPBELL: Yes.

Mr. McINTOSH: I would say, Mr. Chairman, that the spending and financial aspect of the commission which has been brought out this afternoon is astounding, speaking personally, it is extremely surprising.

Mr. MARTIN: I think it is shocking.

By Mr. Hanson:

Q. When you were an accountant in the Department of the Interior was it usual that you got comebacks from the Auditor General the same as you do with this commission?—A. Not to the same extent. No.

Q. Not to the same extent?—A. No.

Q. So you think it is extraordinary that the Auditor General should have to come back to this extent?—A. I think so.

Mr. MASSEY: May I say I am not here to defend the commission, but I hardly think we are functioning fairly in this thing by leading up to several accounts pertaining to individuals who are available to give explanations of these accounts. Apparently explanations of these accounts have been given that have been satisfactory to some source, a commissioner or whoever it may be. I think we are stretching the case by coming to any spontaneous conclusion this afternoon. I suggest that the accounts that have been read out this afternoon pertain to people who are available and that they should be called and asked to give an explanation.

The CHAIRMAN: I think your idea is all right, Mr. Massey. I do not see any harm in questions being asked to-day.

Mr. MASSEY: I am not objecting to the questions.

The CHAIRMAN: That is why I suggest that probably we should defer the questions until a later date.

Mr. MASSEY: Yes. I was not objecting to the questions at all. Please do not misunderstand me.

Mr. CHARLESWORTH: May I point out one obvious error in the questioning of Mr. Maher's account in 1934? These accounts were for 1933, because in the summer of 1934 Mr. Maher put in his resignation; therefore he was not travelling for us in 1934. These accounts are obviously accounts for Mr. Maher's western trip on the occasion of his going west to organize the western network.

Mr. CAMPBELL: August 1 to September 11 is correct. What we are investigating, Mr. Charlesworth, are the accounts of the commission from June 26, I think, 1934. These letters are dated in July.

Mr. CHARLESWORTH: They obviously allude to the 1933 accounts.

Mr. CAMPBELL: True, but the accounts were paid and apparently the Auditor General rechecked them.

Mr. CHARLESWORTH: I wanted to make that clear because in 1934 Mr. Maher put in his resignation early in the summer, and it was to be effective from August. It would be in connection with his western tour to organize the network for the commission.

By Mr. Campbell:

Q. You made a statement that many of these were explained. Here is a letter from Mr. Charlesworth referring to Mr. Dupont. I just take this as an example. There are others in the file where refunds were given?—A. Yes.

Q. At the request of the Auditor General. Here is one case of a refund for \$25.75, after it had been O.K'd by the commission, passed and paid, and the Auditor General rechecked it, and got the refund back?—A. Yes, that is right. There were lots of refunds before that, too.

Q. You have nothing to do with the final approval of these accounts?—A. No.

Q. The Commission are responsible?—A. Yes; they are responsible, I have been told that.

Mr. HANSON: The statements given this afternoon show me why the committee could not get an itemized statement when it was asked for in 1934.

Mr. MASSEY: I think we should take exception to that remark.

Mr. HANSON: I asked the question myself; it is perfectly in order.

Mr. RYAN: I should like to ask a question.

Mr. CAMPBELL: I wanted to tell you that I have nothing personal against you. I knew the correspondence was not with you, and I know you were not to blame.

By Mr. Ryan:

Q. I want to ask a question about the telephone calls. Do I understand the system is, after the telephone bills come back, you simply go to an employee and ask him if it was a personal call or a business call?—A. We have telephone slips that are made out when the call is made, and if it is a personal call they mark on it "personal call." In other cases after the calls have been made, and the slips have been made out, we have questioned them to make sure whether it was a personal call or not. In the early days of the Commission—I might say that Mr. Maher was from outside and was not acquainted with government rules and regulations, and followed the same rules that he followed in his business when making his own calls whenever necessary, and did not like to be bound down by rules as we have them in government calls.

Q. These calls the auditor asked information on, from the evidence here this afternoon, did you have slips for all of them?—A. I cannot say; there are often slips missing for calls, in which case we go to the individual and find out, perhaps, about them and have him initial the account. We still follow that.

Q. How is it possible to lose slips?—A. Sometimes they forget to make out a slip, or sometimes the call is made out from another telephone and charged to the telephone in the office. There are times when slips are not put in.

By the Chairman:

Q. Mr. Mortimer, coming back to this \$6,000 that is owed to the Commission; I gathered from Mr. Powell the other day that that was owing to the telegraph lines?—A. No, that is not correct.

[Mr. W. R. Mortimer.]

Q. It is not owed to the telegraph lines?—A. No, owed to the Radio Commission.

Q. The Commission owes that amount to the telegraph lines?—A. No, I do not think so.

Q. If this \$6,000 is not paid, the Commission will be the loser?—A. The Commission will be the loser.

By Mr. McIntosh:

Q. You expect to get that amount?—A. Yes.

Q. You have billed that account more than once and you figured it will be coming in one of these days?—A. I am satisfied in my own mind it will come in.

The CHAIRMAN: Mr. Ryan is anxious to find out about the telephone calls. I just received a little note from Col. Landry, and he states he is quite prepared to explain it. Would you like him to explain that now or would you rather wait until a little later on?

Mr. RYAN: I would suggest hearing his explanation now. I am not casting any reflection upon anybody. I was only asking to find out about the system.

Witness retired.

The CHAIRMAN: Col. Landry, would you give us a short explanation on how these calls are made while we are on it?

Lieut.-Colonel R. P. LANDRY, called.

The CHAIRMAN: Mr. Ryan wants to find out how these calls are made.

WITNESS: Do you want me to be sworn?

The CHAIRMAN: No, it is not necessary; just give your explanation.

WITNESS: Insofar as these calls are concerned, which you have mentioned, Mr. Campbell, may I say that when I was first appointed to the commission, my family lived in Quebec for about a year; so that very often when I went down to Quebec I would call the office from my home. At the time the bill was submitted to me, I knew that there may have been some personal calls in it, and I asked the accountant to secure the bill from the Bell Telephone Company. As a matter of fact, we wrote twice to the Bell Telephone company, and they replied they had lost the slips. It was later suggested to me that I should settle as to what amount approximately was used on the commission's business. As I did not know what it was, I verbally instructed the accountant to charge it to my account. I think that explains it.

Mr. CAMPBELL: There is nothing against you. We merely wanted an explanation on the system that the commission employed, and why it had to be checked by the Auditor General rather than the commission itself. That is the reason for my questions.

Mr. HANSON: It shows a very loose way of doing business.

The CHAIRMAN: It was stated this morning that to-morrow we would have Mr. Dunlop from the Musicians' Federation.

Mr. McINTOSH: Where is he from?

The CHAIRMAN: Montreal.

Mr. CAMPBELL: Is he the only witness?

The CHAIRMAN: Yes. I think he will be on the stand for some time. Then on Thursday we have Mr. Plaunt and Mr. Parkinson from New York, and I expect we shall have some of the men from Nova Scotia. There are two or three persons coming who represent the Board of Trade and some representatives of the private stations. They will likely appear on Friday.

If the committee will co-operate with me I think the committee should sit as often as we can this week and next week. The Prime Minister said to-day that he wishes to introduce legislation based on the committee's report. I think we should hasten on so we will not be here all summer.

Mr. McINTOSH: I cannot be here on Friday noon as I have an important meeting of the Industrial and International Relations Committee.

Mr. HANSON: There is a meeting of the Railways and Shipping Committee to-morrow.

The CHAIRMAN: Probably you can come in and say hello to us.

Mr. McINTOSH: You would have to meet promptly if I did.

The CHAIRMAN: We shall meet promptly. The committee will now adjourn until Tuesday, May 5, at 11 o'clock.

The meeting adjourned at 5.30 p.m., to meet again on Tuesday, May 5, at 11 o'clock.

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HOUSE OF COMMONS

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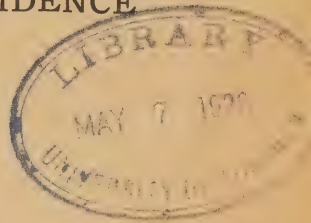
SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10



TUESDAY, MAY 5, 1936

WITNESSES:

- Mr. S. P. Dunlop, President, Montreal Federation of Musicians, Montreal.
- Mr. W. M. Murdoch, Chairman of Canadian Radio Committee, representing all the locals of the American Federation in Canada; also, President of the Toronto Musical Protection Association.

OTTAWA

J. O. PATENAUDE, I.S.O.

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1936

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

TUESDAY, May 5, 1936.

The Special Committee on the Canadian Radio Commission met at 11 o'clock this day, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present.

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Cahan, Campbell, Edwards, Hanson, Howard, Johnston (*Bow River*), MacKenzie (*Neepawa*), Mackenzie (*Vancouver Centre*), McIntosh, Massey, and Woodsworth.—14.

In Attendance as witnesses:

Mr. S. P. Dunlop, President, Montreal Federation of Musicians, Montreal.

Mr. G. E. Jones, Vice President, Montreal Federation of Musicians, Montreal.

Mr. W. M. Murdoch, Chairman of Canadian Radio Committee representing all the Locals of the American Federation in Canada; also, President, Toronto Musical Protection Association, Toronto.

Present:

Mr. Charlesworth, Chairman, Commissioners, and officials of the Canadian Radio Commission.

The Secretary of the Radio Commission filed with the Committee the following documents:

Twenty-five copies of P. C. 4/49, dated January 10, 1936, authorizing additional appointments to the staff of the Radio Commission. Marked Exhibit 28.

Copy of contract between the Canadian Radio Broadcasting Commission and the Canadian National Carbon Company, Limited. Marked Exhibit 29.

Mr. S. P. Dunlop called:

Witness submitted a brief and was questioned by all the members of the Committee present. During the examination of the witness, Mr. Murdoch submitted a letter from the Radio Commission to himself (see evidence).

Witness was examined at some length, some questions being answered by Mr. Murdoch. The witness retired.

Mr. W. M. Murdoch called:

The witness was examined in connection with the International Union, and also with respect to locals in the different zones throughout Canada, and the complaints of some of the locals with regard to their dealings with the Radio Commission, and the general claims of organized musicians.

Mr. Charlesworth made some explanations at certain points during the examination.

The witness submitted a letter from the Commission to himself, which was read into the record by Hon. Mr. Mackenzie, also the reply from Mr. Murdoch, the witness. These communications being in connection with standard rates for musicians. (See evidence).

The examination was conducted by all members of the Committee present until after one o'clock.

The witness retired.

On motion of Mr. Campbell it was ordered: That the following documents be produced:

1. The contract between the Commission and Station CKNC, and the correspondence between the Commission and the Canadian National Carbon Company regarding that station.
2. The Expense Accounts and Vouchers from the Auditor General's Department during the last fiscal year, of Mr. J. A. Dupont, Mr. G. A. Taggart, Mr. G. W. Olive, and Mr. R. P. Landry.

After discussion, the Committee adjourned to meet again on Thursday, May 7, at 11 o'clock, Room 375.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

TUESDAY, May 5, 1936.

The Special Committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will come to order we shall begin. We have Mr. S. P. Dunlop of the Musicians' Federation of Montreal with us. He is assisted by Mr. G. Jones. We also have Mr. W. M. Murdoch representing the Musicians of Canada. Shall we hear Mr. Dunlop, who has prepared a brief, first?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Mr. Dunlop, will you please come forward?

STEWART P. DUNLOP, called.

The CHAIRMAN: Mr. Dunlop has a brief prepared. It is not very long, and he is going to read it. Will you proceed, Mr. Dunlop?

WITNESS: Yes. I have headed this Definitions for the purposes of definition in the following brief:—

1. The word Commission means the Canadian Radio Broadcasting Commission:
2. The word Union means the Musicians' Federation of Montreal, Local 406:
3. The word Federation means the American Federation of Musicians.

The Musicians' Federation of Montreal, Local 406, is a recognized Trade Union incorporated under the Trades' Union Act with the Department of Labour, Ottawa. The Musicians' Federation of Montreal, Local 406, is a subsidiary of the American Federation of Musicians, an international organization of musicians with branches or subsidiary locals throughout the United States and Canada. The Union comprises about 600 members. The total membership in Canada of the International is about 6,000.

When the Canadian Radio Broadcasting Commission was first incorporated about 95 per cent of the employees engaged by the Commission in rendering programs was taken from the ranks of the International throughout Canada. No discrimination whatever was evident against the Union. Very soon after its incorporation the Commission proceeded to displace Union employees, to engage non-union men and to lower the rates paid considerably. This continued for some time until finally in the summer of 1934 the International, to ameliorate the working condition of their members and to protest against the unfair practices on the part of the Commission was obliged to declare a strike and to withdraw their members from participating.

On August 11, 1934, at the invitation of Mr. Charlesworth, the Chairman of the Commission, a meeting was arranged between the executive members of the Commission and representative members of the Interna-

tional. The meeting was held at Ottawa and those present were Messrs. Walter Murdoch, S. P. Dunlop, T. Vandermerschen and E. Johnson, representing the Union, and Lieutenant Col. W. A. Steel, Lieutenant Col. R. P. Landry, E. L. Bushnell and J. Arthur Dupont, representing the Commission.

At that meeting the representatives of the Commission assured the representatives of the International that it would be the policy of the Commission to co-operate as much as possible with the International and with the Union; that there would be no discrimination whatever against the International and particularly none against the Union; and that on the contrary the Commission would do everything in its power to promote the interests of the International and of the Union so that harmony and goodwill might exist between the Commission and the International and the Union.

By Mr. Woodsworth:

Q. I have not got it quite clear in my mind as to the relationship between the Commission and the International and the union?—A. Our representative, Mr. Walter Murdoch, can clear that up quite satisfactorily for you.

Mr. MURDOCH: The union is the local organization in Montreal which is affiliated with the American Federation of Musicians. It is a local branch of musicians who are affiliated, for the purposes of travelling orchestras and what not, with the American Federation of Musicians.

Mr. WOODSWORTH: It was not quite clear before.

WITNESS:—

Certain points were definitely agreed upon and the Commission undertook certain obligations; particularly did the Commission obligate itself to the following:—

(a) To extend goodwill towards and to co-operate with the International and with the Union;

(b) Mr. Fogg, a non-union orchestra leader,—the Commission undertook to decrease the number of programs allotted to him;

Mr. N. de Silva, another non-union leader,—the Commission undertook to eliminate the latter from among their employees and to reinstate Chuhaldin Quartette.

By Hon. Mr. Cahan:

Q. Was that undertaking in writing or simply oral?—A. Oral, sir. Then:—

(c) With regard the Union the Commission was to re-engage 60 per cent of the members of the Union formerly employed by the Commission previous to the above-mentioned strike;

(d) In so far as electrical recordings are concerned the Commission was not to record any program and broadcast it without paying the scale set for such broadcasts;

(e) To pay the Union price for all work done at the Commission radio stations.

All of the above obligations were definitely undertaken by the members of the Commission at that meeting of the 11th of August, 1934, and are recorded in the minutes taken at the said meeting. Those obligations moreover had been confirmed in a letter addressed to Mr. Murdoch on the 16th of August, 1934, and forwarded to the former by the Commission under the signature of Lieutenant-Col. W. Arthur Steel.

[Mr. S. P. Dunlop.]

By Hon. Mr. Cahan:

Q. Have you that letter?—A. Yes.

Q. Are you putting it in?—A. We are producing it.

Mr. MURDOCH: I have the original and shall be glad to put it in.

The CHAIRMAN: We might as well have it on the record.

Mr. MURDOCH: It is a memorandum of the agreement made between the Commission and Mr. Webber. I think the Commission will identify it.

The CHAIRMAN: Was that a signed agreement?

Mr. RYAN: Is that the same as the minutes?

Hon. Mr. CAHAN: You said it was a memorandum signed by or on behalf of the Commission.

Hon. Mr. MACKENZIE: No.

Mr. MURDOCH: May I reply to that? The Commission and our representatives got together, and that was sent to us as a memorandum of the minutes.

Hon. Mr. MACKENZIE: It should have been initialled.

The CHAIRMAN: May I have the letter right away?

Mr. MURDOCH: This is Colonel Steel's letter confirming the minutes.

The CHAIRMAN: I understand from Mr. Jones that they have two letters, one signed by Mr. Steel and one signed by Mr. Charlesworth. Mr. Charlesworth is reading the other letter.

Mr. MURDOCH: I will put in this letter dated August 16, 1934:—

CANADIAN RADIO BROADCASTING COMMISSION

OTTAWA, August 16, 1934.

DEAR MR. MURDOCH:

I am attaching herewith a copy of the minutes of the meeting which took place on Saturday morning in our office.

I think this pretty thoroughly covers the points discussed. If you are in agreement, perhaps you would be good enough to approve of these in writing at your convenience.

"Yours very sincerely,

(Sgd.) W. ARTHUR STEEL,
(W. Arthur Steel) Lieut-Col.
Commissioner.

W. M. MURDOCH, Esq.,
President,
Toronto Musical Protective Association,
402 Metropolitan Building,
Toronto, Ontario.

Enclosures.

Hon. Mr. CAHAN: I simply wanted to avoid misunderstanding.

By the Chairman:

Q. You may proceed, witness?—A. —

Very soon after that meeting of the 11th of August, 1934, the Commission began to violate the agreement entered upon and it became apparent that the said Commission had no intention whatsoever of

carrying out the obligations it had undertaken. This was particularly apparent in the City of Montreal, the Union having been particularly discriminated against.

Taking the matters agreed upon as outlined above, the lack of co-operation, discrimination and violation of the agreement of the 11th of August, 1934, on the part of the Commission manifested itself as follows:

(a) Co-operation:—

The Commission has not only failed to co-operate with the Union, but has definitely encouraged and popularized non-union orchestras to the detriment of the members of the Union. At the conclusion of the strike the Union had no reason to fear musical competition from the non-union leaders Durieux, Fogg and de Silva, but these men have been so helped by Commission publicity and Commission engagements that the Union has now cause to fear inroads on the part of the above-named three non-union members into the field of the Union's endeavour.

By the Chairman:

Q. Were these gentlemen, Messrs. Fogg, Durieux and de Silva non-union leaders?—A. Yes.

By Hon. Mr. Mackenzie:

Q. What is the membership of your Union?—A. About 600.

By Hon. Mr. Cahan:

Q. What is the intention behind this? Is it contended by your Union that no non-union musical producer should be employed by the Commission? (No response.)

Hon. Mr. MACKENZIE: I think he should be allowed to finish his brief first and be questioned afterwards.

The CHAIRMAN: Probably.

Hon. Mr. CAHAN: This brief contains very, very strong language.

Mr. McINTOSH: I was going to ask a few questions about that.

Hon. Mr. CAHAN: It is simply a report, and I submit to the Chair that we might elicit the information as we go along. Of course, I accept the ruling of the Chair.

The CHAIRMAN: I have not ruled, but I want to expedite the business of the committee. Do the members of the committee desire to ask questions while the brief is being read?

Mr. McINTOSH: I think if the witness proceeds it might clarify Mr. Cahan's question.

Mr. RYAN: I think it would be better if the witness were to complete the reading of the brief so that we can get the picture of the whole matter.

Mr. CAMPBELL: Yes, and then we can ask questions.

By the Chairman:

Q. Proceed, witness?—A. Then:—

Non-union members, particularly the above-named three, are given rehearsal accommodation and occupy such accommodation for the greater part of the day so that Union members frequently have to seek rehearsal accommodation outside of the radio stations. The Commission has permitted its Montreal agents to use every means possible to defeat the aims of the Union for fair competition for its members by exposing Union

musicians to competition with non-union musicians who are prepared to render services at prices named by the Commission's Montreal agents. They have created such a condition in that Union musicians could only successfully compete for radio work if they are prepared to rehearse indefinitely, ignore wage scales and working conditions.

The activities of the Radio Commission have had a tendency of reducing the standard of life among musicians dependent on radio employment.

As a result of wage cutting and other pernicious practice sponsors of commercial programs are now insisting that they pay the Union musicians the same rate as they are paid by the Commission. This attitude is being taken by the Imperial Tobacco Co., Bell Telephone Co., the Molson Breweries and other large commercial enterprises.

An example of some of the practices on the part of the Commission representatives towards the members of the Union may be cited as follows:—

On June 25, 1935, a half hour program was arranged; the men were to rehearse for that program between 6 and 7 p.m.; the musician members appeared at the radio station at 7 p.m. and were then told to report back at 7.45 for a dress rehearsal. They appeared at 7.45 and waited until 8 p.m. for admission into the radio station. . . .

By Hon. Mr. Mackenzie:

Q. Which radio station?—A. CRCM Montreal. Then: There they waited until 8.35 p.m. and were told that the program would go on at 10 p.m. and they should report at 9.45. At 10.15 p.m. the musicians were told that the program was cancelled but that they would be paid for the work in connection with this program the same as if it had been given. This was never done; the program has never been paid for.

(b) With regard to Messrs. Fogg and de Silva:—

Messrs. Fogg and de Silva were immediately after the meeting of August 11, 1934, refused work by the Commission. Very soon afterwards, however, they were re-engaged and are now actually featured by the Commission. Mr. Fogg's work is broadcast over the American chain;

(c) With regard to recording of programs:—

The Commission has persistently defaulted in its obligation not to record programs and employ same without paying for the programs used.

By Hon. Mr. Cahan:

Q. What do you mean by "recording of programs"?—A. Well, sir, when there is a broadcast going over the air being played by the musicians it is picked up and transcribed on to some sort of a record. Then that record is used later on to fill in time to rebroadcast the same program or part of that program over again. There is a scale price for that. We have never received anything for that.

Q. They have used the records you have produced without giving you compensation?—A. Yes.

By Mr. Campbell:

Q. Are the records copyrighted?—A. No.

By Mr. McIntosh:

Q. This is what might be termed stealing a program, is it not?—A. I was going to say that.

Q. We might as well say what we think?—A. Yes.

By Mr. Ryan:

Q. Is that the musicians' or the Commission's scale price?—A. The musicians. Then:—

The Commission has recorded and used programs without pay on innumerable occasions. Particularly is this the fact with a program known as "Babbilage Caprice." This program directed by J. J. Gagnier is broadcast for one hour each week, half of this program has been recorded and rebroadcast during the week on a program known as the "Variety Program," this without remuneration on the part of the Commission of any nature whatsoever.

When protest was entered with regard this unauthorized use of a program by means of recording, Mr. Charlesworth replying for the Commission in a letter addressed to Mr. Webber on the 26th of October, 1935, says as follows:—

By Mr. Ryan:

Q. Have you got the letter? (No response.)

Mr. MURDOCH: We have copies of it; we can get the original.

The CHAIRMAN: You have not the original handy there?

Mr. MURDOCH: No.

The CHAIRMAN: Proceed, witness.

WITNESS:—

I should point out that blattnerphone rebroadcastings has no relation of any kind to ordinary recordings.

By Mr. Woodsworth:

Q. What is that?—A.:—

I should point out that blattnerphone rebroadcastings has no relation of any kind to ordinary recordings.

This may be unquestionable but the fact still remains that the Commission was using it as a means of systematically obtaining programs or parts of programs without remunerating the musicians:—

(d) With regard to union prices:—

With regard to Union prices the strike previously to the meeting of August 11, 1934, was called mainly for the reason that the International members were being underpaid by the Commission. Consequently the most important point at issue at the meeting of August 11, 1934, was the fixing of the prices for programs at that meeting as can be seen from the minutes of the meetings and from the subsequent confirmation in the letter sent to Mr. Murdoch on the 16th of August, 1934.

The CHAIRMAN: Is that the letter?

Mr. MURDOCH: You have that, sir.

WITNESS: Then:—

The Commission unequivocally and without reservation undertook and obliged itself to strictly adhere to Union prices. The Union price was outlined to the Commission and the Commission was well aware and still is very well aware of the range of Union prices for its programs. The Union price includes the price per hour of music actually broadcast and the price per hour for rehearsals required, one free rehearsal being given. The price for rehearsals usually being half of the broadcast price.

The Commission has adhered to its contract with regard to Union prices

throughout most of Canada but has discriminated mainly against the Musicians' Federation of Montreal, Local 406. This discrimination is effected in the form of the refusal on the part of the Commission to pay for the necessary rehearsals.

By Mr. Cahan:

Q. Are union prices so-called throughout Canada the same?—A. Yes.

Q. You had no special prices for Montreal?—A. No, sir.

By Mr. McIntosh:

Q. You were going to tell us how that was brought about. Or are you going to finish that brief first?—A. If I may.

By the Chairman:

Q. I think you had better complete the reading of your brief?—A. Yes, sir:—

Innumerable examples of this breach of contract on the part of the Commission are available, most important being the following:—

1. On May 6th, 1935, the King's Jubilee broadcast was rendered. For a two-hour rehearsal on April 28th and May 5th and 6th, twenty-six side men received for the rehearsals and the two-hour broadcast a sum of \$7 each.

Mr. Chairman, I want to make some corrections here.

By the Chairman:

Q. You have in your brief, "\$7 each"?—A. I want to correct that. Fourteen men received \$10; twelve men received \$7; fourteen men received \$3; the leader received \$35; making a total of \$301. Then, continuing:—

In Toronto the same broadcast and for the same number of rehearsals the musicians received \$817.15.

By the Chairman:

Q. \$301 for the broadcast in Montreal?—A. Yes, sir.

Q. And \$817.15 for the broadcast in Toronto?—A. Yes. Then:—

2. A program entitled "Montreal Under the French Regime" and conducted by Agostini was billed for \$10 per man. Mr. Dupont, acting for the Commission, first reduced that to \$9 and he then reduced it to \$7 and entertained no argument. When the leader pointed out that the sum offered was much lower than the Union Scale Mr. Dupont's reply was "If you don't take it we have any number of non-union men who would be glad to get it."

By Mr. Bertrand:

Q. Those words were not told to you personally?—A. No, sir.

Q. You are just reporting what you were told?—A. I am reporting what the conductor Agostini reported to us. Then:—

3. A program entitled "Music Masters" one-half hour program and the rehearsal of forty minutes paid \$7.50, the Union Scale being \$9.

By the Chairman:

Q. \$9 instead of \$10?—A. Yes, that is a correction there, sir. Then:—

4. A program entitled "Dinner Music" and conducted by Trudel, a one-half hour program and one and a half hour rehearsal paid \$7.50, the Union Scale being \$9.

5. A program entitled "Serenade Lyric" one half hour program with a forty-five minute rehearsal paid \$7.50, the Union Scale being \$9.

6. A program entitled "Rendezvous" a one-half hour program with a four-hour rehearsal paid \$7.50, the Union Scale being \$14.

7. A program entitled "Edgar Herring Novelties," a one-quarter hour program and one-hour rehearsal paid \$5, the Union Scale being \$8.

8. A program entitled "Concert Hall of the Air," a one-half hour program with three hours rehearsal paid \$7.50, the Union Scale being \$12.

These are but a few examples of the wilfull breach of contract with regard the agreement for maintaining a Union Price.

Hon. Mr. CAHAN: Now, now, I think these terms for a man giving evidence are somewhat extreme.

Mr. McINTOSH: I thought we were to wait until he is through with his brief.

Mr. RYAN: It is his evidence. These are his comments.

WITNESS: These are but a few examples of the wilfull breach of contract with regard the agreement for maintaining a Union Price.

Innumerable protests were made to the Commission—

By Hon. Mr. Cahan:

Q. Were these lower prices which were paid to non-union musicians, or were they prices which union musicians were compelled to take?

Mr. RYAN: Yes, that is correct.

Q. The union was compelled to take the lower price?—A. We could take the price or get out.

By Mr. McIntosh:

Q. The non-union organization was used as a power to beat down the wages of the other?—A. That is my contention.

By Hon. Mr. Mackenzie:

Q. Did you take these lower prices?—A. We took them and kept protesting through the chairman of our radio committee and also through our international office in Toronto.

By Hon. Mr. Cahan:

Q. Were these payments of lower prices paid to members of your union in the cases which you have cited?—A. Yes, certainly.

Innumerable protests were made to the commission but no results had been obtained. Each Montreal member of the Commission seemed to "pass the buck". Thus in a letter addressed to Mr. Dunlop on the 8th of June, 1935, Mr. J. A. Dupont writing for the Commission says:—

Mr. J. J. Gagnier is acting in the capacity of contractor therefore he is fully authorized to select the musicians engaged by the Commission.

By Mr. Bertrand:

Q. Is Mr. Gagnier a Union Musician?—A. Yes, sir.

On the 10th of September, 1935, the Executive Board of the Union conferred with Mr. J. J. Gagnier and Mr. Pelletier and were given definitely to understand by the latter that they were powerless to do anything and acted merely on instructions received from Ottawa. You will see therefore, gentlemen, that the conditions outlined above cannot continue; that the Commission has been guilty of a breach of contract; that the welfare of the members of the Union has been jeopardized.

[Mr. S. P. Dunlop.]

As Chairman of the Executive Board of the Union, I therefore humbly submit that you take the above on advisement and consider the conditions therein outlined in formulating your findings with regard the investigations on which you are at present engaged. The whole respectfully submitted.

By Hon. Mr. Mackenzie:

Q. Who prepared the brief which you have just read to us?—A. A solicitor that we use in Montreal.

Q. Why is the disparity between your corrections and the original prices so very marked. For instance, in paragraph 3, page 6 of your brief, you state that the Union scale was \$10, while you in your evidence corrected that to \$9. In paragraph 4 you say the Union scale was \$15, and you corrected that to \$9. In paragraph 5, page 7, the Union scale is shown as \$10.50, and you changed that to \$9. In paragraph 6 the Union scale was shown as \$30, and you corrected that to \$14. In paragraph 7 the Union scale was shown as \$9.50, and you corrected that to \$8. Paragraph 8 shows the Union scale as being \$25, and you corrected that to \$12. I am sure you have a very good explanation, but I think the members of the committee should hear what it is?—A. The only explanation I can give in regard to that is that I was out of town at the time and the secretary of my Union in Montreal gave the solicitor a great deal of data. In looking over this—I was given this yesterday before I started to motor up here and I did not have a chance to look it over. The discrepancy in these prices, I am quite sure, was arrived at by the solicitor taking the conductor's price rather than the side-men's price or the ordinary musicians.

Q. Are the figures which you gave us scrupulously correct?—A. Yes, sir.

Q. His figures were absolutely fantastic?—A. Yes. That was brought about, I am quite sure, by the solicitor taking into consideration the conductor's price.

By Mr. McIntosh:

Q. Was the principle of competition not a major factor in the reduction of these prices?—A. Yes.

Q. Competition with non-union musicians?—A. Yes.

Q. Was that not the main cause of these reductions?—A. If we had not had any non-union competition our prices would never have been reduced.

Q. That is what I thought. What is the name of your president? Are you the president?—A. In Montreal, yes, sir.

Q. What officers have you in your organization?—A. A board of nine directors.

Q. Your executive consists of the president and secretary?—A. President, first and second, secretary and treasurer and committee men.

Q. How is your executive elected?—A. At a general meeting held once yearly.

Q. Your whole membership is notified?—A. Yes, sir.

Q. It is a purely democratic organization?—A. Positively.

By Mr. Bertrand:

Q. How do you fix your prices?

By Mr. Campbell:

Q. The scale of prices?

By Mr. Bertrand:

Q. Where is it fixed, in the United States or in Canada?—A. No, sir, this wage scale was fixed after our chairman communicated with all our affiliated members from one end of Canada to the other. I might say that the fixing of

this wage scale, or the formulating of this wage scale, was brought about by an invitation of the broadcasting commission itself. They wanted a uniform wage scale so that if they wanted a 25-piece orchestra in Vancouver they would pay exactly the same price there as they would in Montreal or Halifax, and it would not set up a state of unfair competition in our organization.

Q. You really do not take into consideration the cost of living in these different cities?—A. That was taken into consideration. There are a few places in Canada where we agreed with the Commission that it would not be possible to get a scale. That was agreed at the Ottawa conference.

Q. The six hundred members spoken of are in Montreal only?—A. Yes.

Q. How many members have you throughout Canada?—A. Close to six thousand.

By Mr. McIntosh:

Q. Have you the Dominion divided into union zones? Can you give us the membership of each?

Mr. MURDOCH: I can get that for you.

Mr. MCINTOSH: I think it would be important, because this committee represents all Canada in a parliamentary sense, and I think we should have that information.

Mr. MURDOCH: The Montreal local has six hundred, Toronto has sixteen hundred, and Winnipeg and Vancouver have lesser numbers.

Mr. MCINTOSH: When you speak about Winnipeg and Vancouver, you are including all the West and we would like to have the information a little more decentralized than that.

Mr. MURDOCH: I can get that for you at lunch time.

By Mr. Bertrand:

Q. Do you complain about conditions in Montreal only, or all over Canada?—A. Personally, I am complaining about Montreal alone.

Q. Do you know if your union has any complaints about other cities in Canada?—A. My union?

Mr. CAMPBELL: Similar complaints.

The CHAIRMAN: You might tell the committee who you represent, Mr. Murdoch.

By Mr. Woodsworth:

Q. Might I ask in regard to this difficulty experienced through determining the price of rehearsals—I believe that is one of your chief difficulties; one might imagine from the outside that the rehearsals ought to be done necessarily by the artists themselves at their own expense in preparation for the broadcast. Who is to determine just how many rehearsals are required and the length of time necessary?—A. I would say, sir, that that should be agreed on between the conductor of the program and the director of the station. One of the difficulties we have found is that an extremely difficult program, we will say of half an hour's duration, receives the same remuneration as a very easy program. It is quite possible to do the rehearsing for a certain type of program in a half an hour or three quarters of an hour or even an hour. Then there are other programs which go on the air where it would be absolutely impossible with extremely competent musicians to do that half hour program in anything less than a two or three hour rehearsal.

Q. The length of time occupied by rehearsal would not then depend upon the competency of the musicians or the fact of their having played frequently together?—A. Not necessarily so.

[Mr. S. P. Dunlop.]

Q. I was just wondering how you were going to determine that. I can see where there is likely to be a considerable difference of opinion as to how frequently you would have to have rehearsals.

Mr. MURDOCH: May I cover that later?

Mr. WOODSWORTH: Yes.

By Mr. Ryan:

Q. I understand that your main objection is that the Canadian Radio Commission accords facilities to non-union musicians in the way of rehearsals at broadcasting stations which they do not accord to union members?—A. Not wholly.

By Mr. McIntosh:

Q. Free trade facilities, in other words?—A. Yes.

By Mr. Ryan:

Q. That is a charge you bring here?—A. Yes; it is not generally as far as Montreal is concerned, but there have been innumerable times when the program has been set and our musicians have been called for such and such a rehearsal and the men have gone there to rehearse and there are non-union musicians rehearsing extremely long programs.

Q. That discrimination is not serious?—A. No, I would not say it is serious; we put it in because we figured it was a form of discrimination.

By Mr. Bertrand:

Q. I suppose you have gathered in this brief all the grave things against the Commission?—A. No.

Q. All the serious ones?—A. Well, we have gathered here, sir, what we felt we could substantiate and stand behind. There is a lot of hearsay and a lot of dirty linen which we do not want to wash and we have no intention of doing it.

Q. Is it your aim to get the Commission to employ only union musicians?—A. No, sir. The Commission, being a servant of the Crown, I do not think we could demand that, although we might like to. I do not think it would be fair.

By Mr. McIntosh:

Q. Is that not the object of your organization, to have that principle applied? You would not be organized if you did not have that as a background?—A. It would depend on who we were dealing with. As an officer of the Crown, I thoroughly understand that that cannot be done. I do not mean that I am an officer of the Crown, but I am dealing with the Commission as an officer of the Crown, and I understand that that cannot be done.

By Mr. Campbell:

Q. Why not?

By Mr. McIntosh:

Q. Are you not doing it every time one of your union musicians takes part in a broadcast?—A. Yes, but the Commission is not using only union musicians.

Q. But you would like the Commission to use union musicians to a very large extent?—A. Yes, certainly, to a large degree, but as far as 100 per cent is concerned—

By Mr. Campbell:

Q. Your contention is that your wage scale should be paid regardless of whether or not they are union members?—A. Yes.

By Hon. Mr. Mackenzie:

Q. You were present at this meeting on August 11, 1934?—A. Yes.

Q. At which definite union rates were established at that time in the various regional areas of Canada?—A. Yes, sir.

Q. For all performances, for rehearsals and for the number of hours?—A. Yes, sir.

Q. Was there a perfect understanding between your organization and the Radio Commission in regard to specific union rates for all performances?—A. Yes, sir.

Q. You are sure of that?—A. Yes.

Q. And you contend that that arrangement has been broken, do you?—A. Yes, sir.

By Mr. Ryan:

Q. Did not that arrangement bring about the end of the so-called strike?—A. Yes.

By Mr. Campbell:

Q. Have you any estimate of the number of non-union musicians who are earning a livelihood as musicians? Undoubtedly there are many non-union musicians?—A. You mean with the Commission?

Q. I mean competing against your six hundred members?

By Mr. Bertrand:

Q. How many are there outside of the union in Montreal?—A. Actively in Montreal, I think the number could be confined within one hundred.

By Mr. McIntosh:

Q. How many are there throughout Canada?

By Mr. Bertrand:

Q. You do not claim there are only one hundred professional musicians outside of your union in Montreal, do you?—A. Oh, no. Let me see, I think in the city of Montreal we obtained the figure and there was something like fourteen hundred.

Q. Outside of the union?—A. Yes, sir.

Mr. MURDOCH: I do not know how you would know. They are coming out of school in droves all the time.

By Mr. Campbell:

Q. We are not speaking about those who graduate from the schools, but those who— —A. Earn their livelihood and who might be in competition with us?

Q. Yes. Naturally I take it that all your members are earning their livelihood as musicians?—A. Yes. I would say within one hundred, sir.

By Mr. McIntosh:

Q. Are they eligible for membership in your organization?—A. Yes, sir.

Q. If they are, why are they not members?—A. Well, perhaps they do not want to join our organization.

By Mr. Campbell:

Q. There is no other competing organization?—A. There is another organization called the Canadian Musicians Federation.

[Mr. S. P. Dunlop.]

By Mr. Ryan:

Q. Is that independent of the American Federation?—A. Yes, sir.

Q. Do you know what the strength of that organization is in Canada?

Mr. MURDOCH: I can cover that for you, sir.

WITNESS: I think Mr. Murdoch can give you that better than I can.

By Mr. Bertrand:

Q. You stated that at one time the musicians employed by the Commission represented 95 per cent of union musicians and that the number fell down to 60 per cent. Was that one of the reasons why the strike was declared on August 11, 1934?—A. No, sir. I think you misunderstood me there. I did not say it fell down to 60 per cent. After the Ottawa conference it was agreed by the Commission that at least 60 per cent of union musicians would be hired, and eventually that percentage would rise, and it has risen, and they have complied with that 60 per cent.

By Mr. Campbell:

Q. They have complied with the employment, but not with the wages?—A. Not with the price.

By Mr. Woodsworth:

Q. At that conference did you seek to get the concession that non-union musicians would get the same rates as the union musicians?—A. That was the Commission's own suggestion.

By Mr. Ryan:

Q. That was agreeable to you?—A. Yes, sir, certainly.

By Mr. Bertrand:

Q. Did you ever try to pass a contract in virtue of the Collective Contract Act?—A. No, sir.

Q. If you would go to the proper authorities and try to pass a collective contract you would be safeguarded?—A. It has never been done.

By Hon. Mr. Cahan:

Q. You are a branch of an international union?—A. Yes.

Q. Do your tariffs in Canada correspond to the tariffs in the United States where they have branches of the same international union?—A. No, sir, not in any way.

Q. Not in any way?—A. No, sir. We establish our own prices and our own working conditions throughout Canada.

By Mr. Ryan:

Q. You have that right?—A. Positively.

By Hon. Mr. Cahan:

Q. What are the conditions of membership in your Union?

Mr. CAMPBELL: The conditions of joining.

By Hon. Mr. Cahan:

Q. What conditions must the musicians comply with in order to become members?—A. They pay an initiation fee; and then they take an oath.

By Mr. McIntosh:

Q. Would you mind telling us how much the initiation fee is?—A. In Montreal it is \$50.

Q. What part of that goes to the States?

Mr. MURDOCH: None of it; not a cent.

Mr. McINTOSH: He is answering this question, and he has not answered it yet.

By Mr. McIntosh:

Q. Does any money of your organization go to the States?—A. Well, what I was trying to think—there is a very small amount, Mr. Murdoch. I have not the exact percentage here.

Mr. MURDOCH: May I give that?

Hon. Mr. CAHAN: Mr. Murdoch can speak for himself.

By Mr. Bertrand:

Q. What kind of oath have you?—A. I will refer to Mr. Murdoch, Mr. Cahan, the answer to that question.

By Hon. Mr. Cahan:

Q. What is the nature of the oath?

By Mr. McIntosh:

Q. I asked a question. You are under the impression that part of the fee does go to the States?—A. There is a very small percentage, yes.

Mr. MURDOCH: Not under the initiation.

The CHAIRMAN: I might say a word to members of the committee at this point. If there are any questions which Mr. Dunlop may be asked which he cannot answer, he has brought Mr. Murdoch as his assistant. Probably some of the questions with respect to matters with which he is more familiar can be answered by him. I think it might facilitate the work of the committee, Mr. Cahan, when a question is asked of Mr. Dunlop which he is not in a position to answer, if we could get Mr. Murdoch to answer it at the time. Do you not think that would facilitate matters?

Hon. Mr. CAHAN: It might.

Mr. BERTRAND: I think we forgot a little formality. Did we swear the witness?

The CHAIRMAN: I do not think it was the intention of the committee to swear anybody who was presenting a brief. They are not giving evidence. That is the usual procedure, as far as my knowledge goes.

Mr. BERTRAND: I did not know that. If that is the rule, all right.

The CHAIRMAN: If it is the wish of the committee that this gentleman should be put under oath, we will do so. But I do not think that is usual when they are presenting briefs.

Mr. McINTOSH: Is this not part of the evidence? Why should one man be sworn and another man not? We settled this question the other morning and said that everyone should be sworn.

The CHAIRMAN: I might say, Mr. McIntosh, that when Mr. Coffey of the Young Men's Canadian Club was here, we did not swear him; and it is not the usual procedure for committees to put men under oath when presenting briefs before them. However, I am in the hands of the committee. If it is the wish of the committee, we will do it.

Mr. RYAN: I do not think we adopted such a broad principle as that, that everybody should be sworn. I think we restricted ourselves to those connected with the public service, but did not include persons coming here simply presenting a brief.

[Mr. S. P. Dunlop.]

Mr. BERTRAND: But when they come here and make charges against officers of the commission, do you not think their evidence should be given under oath?

Mr. BOUCHARD: Yes, I think so.

Mr. BERTRAND: I want to be fair to everybody.

The CHAIRMAN: If it is the wish of the committee we will do it.

Mr. WOODSWORTH: It seems to me, Mr. Chairman, that we cannot very well talk about briefs in the legal sense here, because the present witness is not a lawyer occupying that position here. He has an unsupported statement. I see no reason why he should not be sworn. On the other hand, since the matter deals expressly with this radio business, I cannot see that we are at liberty to ask the witness all sorts of more or less irrelevant questions. For instance, I do not think he would have any objection whatever to telling the details of the arrangements with regard to the Union, but I do not know why we should ask him to divulge all the Union's business before this committee. It is none of the business of the committee.

Hon. Mr. CAHAN: Before there is a decision on that, in reply to my friend Mr. Woodsworth, I should like to say that I do not wish to go into the Union's business. It is quite evident that there are hundreds of musicians, and competent musicians, in the city of Montreal who either cannot or do not desire to comply with the conditions of membership.

Mr. BOUCHARD: Hear, hear.

Hon. Mr. CAHAN: I need not go into that aspect of it. The International Union at times imposes conditions which are not acceptable to a large body of the people of Montreal. I simply wish to find out whether there is something in the oath or something in the conditions which exclude so many hundreds of musicians in the city of Montreal from accepting the conditions of membership and becoming members.

Mr. WOODSWORTH: Mr. Chairman, I submit that if we had a lawyer on the stand there would be immediate resentment if we went into the whole of the legal business, how men came to be lawyers, and why it should be that a large number of people who think themselves quite competent to talk law should be precluded from joining the lawyers' union and all the rest of it. It seems to me that matter is very irrelevant, and it is just as irrelevant for a trade union as it is for a lawyers' union or a business union.

Hon. Mr. CAHAN: That does not apply to the lawyers' union as it does to this.

Mr. WOODSWORTH: Fortunately, they are in the position of being a closed shop. This Musicians' Union is not a closed shop.

Hon. Mr. CAHAN: Wait a minute. The union is open to everybody, irrespective of his right or relations or other conditions of the kind.

Mr. RYAN: It might be just as embarrassing—Mr. Woodsworth speaks of the lawyers' union—to somebody in the C.C.F., to ask him why he joined, the conditions of membership and so on.

Mr. WOODSWORTH: The C.C.F. is a party that I am quite willing to deal with on its merits. I am speaking about professional matters to-day. What I was suggesting was that while we have the right to examine witnesses under oath, I thought possibly we were going too far to go into the professional conditions; for I would say that the musicians are professional men just as much as the doctors or lawyers.

Mr. BERTRAND: Surely. Nobody quarrels with you, Mr. Woodsworth. But the question is whether this witness should be sworn or not, because he is making a statement against the officials of the Commission.

Mr. WOODSWORTH: My point was that we have a perfect right to have the witness sworn, and that we should ask questions with regard to the Radio Commission; but we should not take advantage of that to go into the whole field of professional conduct and professional relationships and all that.

Hon. Mr. CAHAN: Nobody desires to do that.

Mr. WOODSWORTH: I thought we were doing that when we were beginning to ask if there is an oath, if there is such a thing, and all the rest of it.

Mr. BERTRAND: If he does not want to answer, he can just say so.

Mr. RYAN: That may be discretionary with the witness.

The CHAIRMAN: Is it the wish of the committee that we swear Mr. Dunlop?

Mr. CAHAN: Oh, well, he has given his statement without being sworn. He might as well go on.

The CHAIRMAN: Yes.

WITNESS: Mr. Chairman, before you ask that question of your committee, might I enlighten you as to one thing. I am quite sure that Mr. Murdoch or Mr. Jones who are here with me, myself, or anybody else that might be here—as far as any questions are concerned that you would like to ask about the Musicians' Federation in Canada, from one end of Canada to the other, no matter how intimate those questions might be—will be very, very happy to enlighten you, or anybody that wants to ask any questions. There was a little reluctance a moment ago on my part. I hesitated to answer that question. I should like to explain that. As a musician, I am possibly the poorest in Canada, as far as ability is concerned. I play for two symphony orchestras in Montreal; and when anybody says to me, "What is the Montreal Orchestra?" I tell them, "75 musicians and one tuba player." I am the tuba player.

The CHAIRMAN: Mr. Cahan, what was your question? If Mr. Dunlop has no objection to answering any questions, what was your question?

Hon. Mr. CAHAN: I did not wish to go into matters of organization of the International Union, of which they are a branch. But I was endeavouring to ascertain what were the conditions of membership in this union in Montreal.

Mr. McINTOSH: I see no objection to that.

The CHAIRMAN: There is no objection.

Hon. Mr. CAHAN: In that connection I asked what were the conditions of the union, and the witness replied that there was an oath. I asked as to the nature of that oath.

The CHAIRMAN: I think we will reserve that question for Mr. Murdoch. He is more familiar with it.

Hon. Mr. CAHAN: I am quite content.

The CHAIRMAN: Are there any further questions?

By Mr. Bertrand:

Q. Mr. Dunlop, is there any rating between the musicians in your union; I mean, between the different members?—A. You mean as far as ability is concerned?

Q. Yes?—A. No, sir; none whatever.

Q. When an orchestra is engaged by a theatre in Montreal, for example, who chooses the musicians?—A. The conductor; whoever is going to lead the orchestra.

Q. And he is responsible if his musicians are not good enough?—A. Solely responsible.

By Mr. McIntosh:

Q. He has your entire membership listed?—A. Yes.

[Mr. S. P. Dunlop.]

By Mr. Bertrand:

Q. Have you got the outstanding musicians in your union in Montreal—the most outstanding musicians?—A. We think we have, sir.

Q. For example, is Miss Ethel Stark, pianist, one of your members?—A. No, sir; she is not.

Q. She is not?—A. No. She is what we term purely a concert artist.

Q. A concert artist?—A. Yes.

Q. Although she played with the Philadelphia Symphony Orchestra?—A. Yes. That is quite correct. She also played with the Société Concert Symphonique in the east end of Montreal, at the Plateau School Auditorium just recently. She came in and played with that orchestra purely as a concert artist.

Q. Do your musicians co-operate with the non-union musicians or do they refuse to play with them?—A. They refuse to play with them.

Mr. McINTOSH: They refuse to play with you?

Mr. BERTRAND: No, with non-union musicians.

WITNESS: They refuse to play with non-union musicians; or in other words, non-members of my organization.

Mr. McINTOSH: The boot is on the other foot.

By Mr. Bertrand:

Q. Even though they were paid what they claim, they would not deal with a non-union musician?—A. No, sir.

Q. That is one of your by-laws?—A. Yes.

By Mr. McIntosh:

Q. There is a question I should like to ask. Would you state, or would you make an assertion to the effect that you have all the outstanding ability in Montreal in your organization.

Mr. BOUCHARD: That is a very broad statement.

Mr. McINTOSH: But Mr. Murdoch said it was a closed organization. You know what is going to happen if you do not have all the ability from any set zone or area. It is going to go to pieces, because those outside are not going to stand for it. That is why I asked that question.

WITNESS: We believe that the best obtainable is in our membership in Montreal.

By Mr. McIntosh:

Q. But you will admit that there is special musical ability outside of your organization?—A. What do you mean by "special"?

Q. Just whatever meaning you take out of it. You know what I mean.—A. No. I am afraid I do not.

Mr. BERTRAND: Good musicians.

Mr. McINTOSH: Yes, exceptional ones.

Mr. RYAN: Just as good.

By Mr. McIntosh:

Q. Just as good as you have in your organization—musical ability of equal quality?—A. There might be odd cases.

Q. But generally speaking, you do not think it is so?—A. I do not think so, sir. I will give you an illustration. When the Drinkwaters—Mr. Graham C. Drinkwater and his committee composed of various prominent Montrealers wanted a symphony orchestra, they could not get a symphony orchestra outside of my organization. Also when Mr. David, Hon. Athanase David, and his committee wanted a symphony orchestra in the east end of Montreal, they could not get one outside of my organization.

By Mr. Bertrand:

Q. They would have been able to get one if your musicians had been ready to co-operate with the others and play with the others. I mean, they would have been able to take some of your musicians and some outside of your organization?—A. A very, very few, sir.

Q. Have you any objection to telling me if this is one of your by-laws? Is it true that if an orchestra like the Philadelphia Symphony Orchestra comes to Montreal they have to use some of your musicians whether they like it or not?—A. No, positively not.

Q. I am glad to hear that, because I heard it mentioned quite often in Montreal.—A. No. Never under any conditions like that.

By Mr. McIntosh:

Q. Have the non-union members any kind of formal organization at all?—

A. Personally, I do not know. I have heard various things, and I have tried to trace them and have got no results.

By Mr. Ryan:

Q. What was the date of this strike?—A. What was the date of the strike, Mr. Murdoch?

Mr. MURDOCH: It is in the record—in the brief.

Mr. RYAN: If it is in the record, it is all right.

WITNESS: It is in there.

By Mr. Ryan:

Q. When the strike took place, did all the different organizations throughout Canada—I am speaking of the union organizations—join the strike?—A. Yes.

Q. It was a general strike?—A. Yes.

Q. Prior to the strike, what were your relations with the Radio Broadcasting Commission? Were they employing union men exclusively or were they employing men indiscriminately?—A. No. There was a very small percentage of non-union men employed.

Q. This was the direct aim at the time of the strike, to have the commission employ union men at union wages. That is the sum and substance of it, is it not?—A. Yes. And the commission started to reduce the percentage of union musicians employed.

Q. At all events, the union was not recognized as a union before the strike?—A. No.

Q. And you say that the different unions throughout Canada then went on strike generally?—A. Yes.

Q. During the strike did your membership stand by the union so far as the strike was concerned, or just certain instances?—A. With the exception of possibly half a dozen in Montreal.

Q. Generally, the men stood firm?—A. Positively.

By Mr. McIntosh:

Q. Recognition of the union, in the main, came after the strike?—A. Yes.

By Mr. Ryan:

Q. That is to say, there was an agreement entered into, so far as you were concerned, to have the conditions asked for by the union complied with by the Radio Commission?—A. Yes.

Q. And you say those have not been complied with?—A. No, sir.

Q. That is why you are here?—A. Yes.

[Mr. S. P. Dunlop.]

By Mr. Campbell:

Q. That is only the wage part?—A. Yes.

Q. You say the employment part has been complied with?—A. Yes. The employment is all right. It is just what is outlined in here.

By Mr. Bertrand:

Q. Do private stations in Montreal employ your union musicians or any musicians?—A. They employ union and non-union. The percentage of non-union is very small.

Q. And they pay your regular rate, in general?—A. Yes. I have a comparison on a sheet here on the back of this thing.

The CHAIRMAN: Are there any further questions?

Mr. BOUCHARD: Considering your lack of desire to co-operate with the non-union members if the Commission deals only with the union, I am rather of the opinion, or I am afraid that you will dictate to the Commission. It would finally come about that the Commission would have nothing to do but accept your union. Then you will have your government Commission which will have no freedom to take any other artists, and so on. It would be tied up in the hands of the union. Do you think it would be fair to the public to tie up a commission of the government in the hands of a union? I am just putting the question. It is not that I impute a tendency to dictate to the Commission on your part.

Mr. CAMPBELL: You made that clear before.

By Mr. Bertrand:

Q. It is not your aim to have the commission employ only union musicians. You told me that.—A. It is our aim, sir.

Q. Well, you said "no" a few minutes ago.—A. Well, we understand that that is an impossibility—at least, we are given to understand that that is an impossibility. The main thing, as far as the Montreal idea is concerned, is to have the commission keep their promise to us.

Q. If you have your fair average of programs and at your prices, you are satisfied?—A. And paid our scale, we are satisfied. That is all we want.

By Mr. Campbell:

Q. In a word, what you ask is that the same wages be paid to non-union employees as to union employees, so there will be no competition. Is that correct?—A. Well, of course, the Radio Commission have agreed to that also.

By Mr. Ryan:

Q. The non-union members would not object to that either, if they got the same scale as you people?—A. No. They would be lucky. They would make more money than they do now.

By Mr. Campbell:

Q. That is your contention. You wish them to be paid the same?—A. Yes, sir.

By Mr. McIntosh:

Q. There is this point to be considered. The stronger your membership would become in a national sense, the more power you would have with the commission, to diplomatically tell the Commission, "Well, this rate is not very fair. We would like a little more." And you would be very apt to get it, would you not? You would make the consuming public pay the shot?—A. I presume that would arise.

Mr. MCINTOSH: That is the ultimate; there is no doubt about that. That is one of the ultimate aims of your organization.

By Mr. Bertrand:

Q. When you fixed your rates you fixed it up between yourselves? You did not ask the Commission if it was agreeable to them to pay this price to you? (No response).

Mr. MURDOCH: These conditions were in force before the Commission came into existence.

Mr. BERTRAND: I mean that this scale of wages was decided by your union?

Mr. MURDOCH: We always negotiate with the person who employs us.

Mr. BERTRAND: With the theatre owners?

Mr. MURDOCH: Yes.

Mr. CAMPBELL: You submitted a memorandum following negotiations with the Commission in 1934 in which they agreed upon a certain scale?

Mr. MURDOCH: Yes.

By Mr. Ryan:

Q. In addition to that, if I follow you correctly, you claim that the fact that the Radio Commission is slashing prices and paying what you consider to be unreasonable rates is disrupting the morale of the musicians throughout Canada because commercial firms are also cutting down the rates of wages?—A. My contention has reference only to Montreal, sir.

Q. Do you know if the condition of which you complain applies to the whole of Canada?—A. I think Mr. Murdoch can speak to that, sir.

By Mr. Bertrand:

Q. Have you amateur musicians or only professional musicians in your Union?—A. By "amateur musicians" whom do you mean, sir?

Q. I mean musicians who are not living solely upon their music?—A. Yes, we have many members.

Q. And you also have professional musicians?—A. Yes, those whose sole means of livelihood is music.

Q. And if there were two violinists, one a professional and one an amateur, would they be paid the same rate? (No response.)

Mr. MURDOCH: No; the same minimum. A good man always gets more.

By Mr. Bouchard:

Q. Has it been your experience that a certain number of musicians, particularly in Quebec, are averse to being enrolled in an international society?—A. No; that has not been our experience.

By Mr. Ryan:

Q. That is the experience of practically all unions, is it not? They have an international federation in different trades, as a rule?—A. Yes, I think the rule holds good.

By Mr. Bertrand:

Q. Could you give me the approximate number of each nationality in your union in Montreal?—A. No, sir; not offhand.

Q. Could anybody from your union do so?—A. Yes, that could be obtained.

Mr. JONES: I think it is about 60 per cent French.

By Mr. McIntosh:

Q. In view of your experience, Mr. Dunlop, is it your inclination to favour a national or an international organization?—A. An international organization.

[Mr. S. P. Dunlop.]

Q. You prefer that?—A. Yes.

Q. Nevertheless you must admit that there is a strong tendency in Canada to-day to have our own national organization?—A. I have not seen any concrete results yet.

Q. It is a sentiment that is growing stronger and stronger?—A. It may be.

By the Chairman:

Q. The meeting of the representatives of the International Union of Musicians was held at Ottawa on August 11, 1934. That was after the strike?—A. Yes.

Q. I see in your memorandum from the minutes your agreement was that 60 per cent of the members of the Montreal union would be engaged by the Radio Commission?—A. Yes.

Q. And in this memorandum I find:—

The question of 60 per cent of the members of the Montreal Union formerly employed by the Commission previous to the strike was discussed and Colonel Steel expressed the opinion that his understanding was to the effect that it had been agreed a period of four months was fixed between the Union and the Commission as a lapse during which time the agreements entered into by both parties at the previous meeting would be enforced?

A. Yes.

Q. Is that correct?—A. I believe so.

Q. In other words, that the agreement between yourselves and the Commission was made for four months?—A. No.

MR. CAMPBELL: It came into force four months after that.

WITNESS: It was to come into force four months after that.

By the Chairman:

Q. And according to the agreement with the Commission it is still in force?—A. Yes.

Q. And you say it has been violated?—A. Yes.

By Mr. McIntosh:

Q. What notice must be given before the agreement is abrogated?—A. I do not think any notice was agreed upon.

Q. A sort of perpetual understanding?—A. Yes, unless one side or the other found it was unbearable, and then we would go into conference.

Q. There is nothing in the agreement as to what notice would have to be given?—A. No; it was understood that if there were any difficulties we would go into conference.

By Mr. Ryan:

Q. Are you speaking exclusively on behalf of the Montreal Union or on behalf of all unions across Canada?—A. As to this last question I would say all unions, but the brief pertains only to the Montreal musicians.

THE CHAIRMAN: Mr. Murdoch is here. He represents the Union of Musicians for the whole of Canada.

HON. MR. CAHAN: Then can we hear Mr. Murdoch?

THE CHAIRMAN: Yes. Mr. Dunlop may retire.

The witness retired.

WALTER MURDOCH, called.

Mr. McINTOSH: Is this witness to be sworn?

WITNESS: I have no objection to being sworn if you wish.

The CHAIRMAN: Mr. Cahan wanted to ask Mr. Murdoch a question, I think.

Hon. Mr. CAHAN: Let Mr. Murdoch make his statement first.

The CHAIRMAN: Proceed, Mr. Murdoch.

WITNESS: Mr. Chairman and gentlemen, I think Mr. McIntosh wants to know why we favour an international union as opposed to a purely Canadian union. Forty years ago in Toronto and in other centres in Canada musicians organized in order to improve their standard of life and to eliminate unfair competition one with the other. After operating in that fashion for some years they found that theatrical companies particularly were coming in most of them from the United States, and bringing in musicians who played under any condition at all, over which we had no control. In self-defence and for the protection of our Canadian musicians many local organizations, some of them known as Knights of Labour, and others as orchestral associations, went and asked for an affiliation with the American Federation of Musicians with the idea of controlling largely travelling orchestras and travelling musicians. The affiliation was made on this basis, that every local union in Canada has absolute local autonomy. They fix their own fees and conditions, and their rules are made by the members in general meeting.

By Mr. McIntosh:

Q. They make their own constitution?—A. They make their own constitution entirely.

Q. Do those local organizations make any contribution in the way of fees to the international organization?—A. Yes. I will come to that. The result is that in the larger centres such as Montreal, Toronto, London, Saint John, Winnipeg, Vancouver and Regina, they all have what are known as travelling bands, and these bands leave their own jurisdiction and go and play in another jurisdiction. Now, if a Toronto organization should go down to Montreal and accept a position in the Mount Royal Hotel the Montreal musicians would know that while the Toronto musicians are playing in their city they are not undercutting the prices of the local orchestras. This naturally necessitates supervision. The result is that there are 150,000 musicians affiliated with the American Federation of Musicians, and they have a monthly journal which is sent to everyone on the list, which journal not only furnishes news to musicians but also other valuable information. For example, if a theatrical producer comes to Montreal and walks out without paying his men he is immediately listed so that he cannot employ musicians in Canada or the United States until he has paid his bills in Montreal. The per capita tax per member works out at \$1.50 per year, which does not in any way cover the cost of supervision and service we get.

By Mr. Bertrand:

Q. The \$1.50 goes to the international organization?—A. Yes. I am saying it is \$1.50, but I think it is perhaps only \$1.15 or \$1.25.

Q. Have you any idea of the approximate lump sum that goes to the United States from your organization?—A. On the basis of 6,000 members it would be \$9,000. In return for that sum the international office employs a Canadian. The present incumbent is Mr. G. R. Henderson.

[Mr. W. M. Murdock.]

Q. Where is the head office?—A. The head office of the international organization is in New York. Mr. Henderson is employed there to supervise and look after the interests of the Canadian musicians. His salary is paid by the international organization, and the Trades and Labour Congress in Canada every year receives a substantial donation from the international body, as Mr. Draper could tell you. Canada gets back two dollars for every dollar paid in per capita tax.

So far as the Canadian organization is concerned, I speak of Toronto: For various reasons men are suspended from our organization for breach of rules, for undercutting prices, for being unethical, in the same way as lawyers are unfrocked. These men, when they found they were out of court, got together and attempted to form a Canadian union.

By Mr. McIntosh:

Q. Is that because once they were unfrocked, as you put it, their chances of ever getting back are poor?—A. No. There are always conditions under which they can get back. We do not operate in any place in Canada a closed shop. We never say that we have so many people in the organization and therefore nobody else can join. Possibly you will be interested in some of the names: Sir Ernest MacMillan, the Director of the Symphony Orchestra; Dr. Fricker, Director of the Mendelssohn Choir, and Mr. Reginald Stewart, Director of the Promenade Symphony Orchestra, and Stokowski of the Philadelphia Orchestra. All these men belong to the Federation of their own freewill.

Q. Are those who teach in the Toronto Conservatory of Music members of the Federation?—A. No. Those who teach music are not required, because they are not in competition with musicians. For instance, we have artists and violinists who never do any mundane playing for a livelihood. Those people always play with our organization.

Now, in Toronto this Canadian organization was formed. They got hold of our members and took them in. They invited everybody to go to their organization meetings, and so naturally I sent a couple of chaps to them. After struggling along for about six months their exchequer boasted about \$22.36. The result of it was that the thing fell to pieces.

In Hamilton there was some labour trouble in a theatre. A man attempted to run a chain of theatres using non-union musicians, and he got possibly eight or nine persons from all over, among them being the organizer of the Canadian union. After playing there for about two or three weeks the venture was not a success, and he made application to come back to our organization. I wanted to know something about the matter, so we employed a court reporter and the organizer sat from eight o'clock to twelve o'clock at night answering questions, telling us all about the organization. He stated that he was advised that if the members of his organization did not pay their capita tax their charter would be revoked, which was done. Yet this Canadian organization went into Hamilton and said to the public: "We are a union of musicians," but those who came back and wanted to join us said they did not pay a fee, nor did they take any obligation. They were handed cards so that when they went out on to the streets they would be in a position to show the cards as if they belonged to a union. They were nothing but street beggars.

Mr. WOODSWORTH: Mr. Chairman, a while ago I protested against trade union politics being introduced before this committee. Mr. McIntosh insisted on getting the opinion of the witness with regard to the international organization. I have no brief for either of these organizations, but I say if we persist in going into the case for the international organization, in all fairness at another sitting we shall have to call a representative of the Canadian union to present its side of the case. Personally it seems to me that it would be well for us to avoid discussion of these internal politics, for they have nothing whatever to do with the radio business.

The CHAIRMAN: I think your point is well taken. I think the questions should be confined to whatever complaints the musicians of Canada have against the Radio Commission. Mr. Dunlop in his brief and in his answers to the questions put before the committee the complaints of the federation of musicians for the district of Montreal.

Mr. McINTOSH: The witness is leading up to that. He is practically there now. He has given all the information he wants to give.

The CHAIRMAN: Probably so; but I think Mr. Woodsworth's point is well taken, that Mr. Murdoch should confine himself to any suggestions he might have to offer to improve the conditions of the musicians. I think that is only fair.

Mr. BOUCHARD: We would like to know whether the oath prescribed by the international federation is objectionable to some musicians for any reason.

Mr. McINTOSH: You intimated to Mr. Cahan that that information would be given, and now you take the stand that you do not think it should be given.

The CHAIRMAN: No. Mr. Murdoch is giving an outline of conditions in order to show the difference between the Canadian unions and the international federation, and I do not think it concerns this committee at all. If anybody wishes to ask a question as to what oath the musicians have to take in order to belong to the international federation of musicians I think it would be quite proper to ask that question, but I do not think the committee wants to hear Mr. Murdoch's explanation of the difference between one organization and another, because if we go on with that we shall get into a field with which this committee is not concerned.

Mr. McINTOSH: We do not want to hear a lengthy explanation, but I think we should have some information on the matter.

The CHAIRMAN: Of course, I am in the hands of the committee.

Mr. RYAN: This witness desires to place certain information before the committee in order to show that his organization is not a closed corporation. There may have been some reports broadcast which he feels should be cleared up so that those concerned will know that the door to his organization is open to all musicians who desire to join.

Q. Is that correct?—A. Yes.

Mr. WOODSWORTH: I have a rather intimate knowledge of trade unionism and I know there is a great deal of conflict between the various organizations in this country. Broadly speaking there are three types, as most of us know, namely, the International unions, the Canadian unions under the All Canadian Congress, and the Catholic unions of Quebec. There are others as well. My point is simply that if we are going into this question, although it may be very interesting to some gentlemen, in all fairness we shall have to call the representatives of these various organizations before the committee, and I do not think that would be altogether desirable. There is no secrecy about it, but it seems to me that we ought to confine ourselves to matters that directly affect the work of this committee. I have no quarrel with what the witness has said, but it is an ex parte statement, and if we are going to hear it I think I shall have to ask that we hear the representatives of the other organizations at the next meeting of the committee. If the committee desire to go into the matter, I have no objection.

Hon. Mr. CAHAN: I know nothing about it at all, and have no brief for any organization, nor have I discussed this question. I simply suggest that there may be some reasons why—shall I put it bluntly—the Catholic Federation of Montreal and Quebec might not care to enter into this International union. We all know that that has been suggested with regard to other branches of the Trades and Labour Organization, and I think it would be quite appropriate for the representatives of that view to give an expression of opinion or a statement of

[Mr. W. M. Murdock.]

facts as to why they are not entering this union, in order to show why this union should not have complete control of the question of prices and employment for the Radio Commission. That is all I suggest. I do not wish to go into it.

Mr. RYAN: I think in fairness it should be stated that we rather led the witness into this discussion by the questions we ourselves asked.

The CHAIRMAN: I do not think the witness is to blame, but I am of the opinion that if we are going to have the set-up of all the different organizations, how they were brought about and why they were brought about, we are going to get into all kinds of difficulty.

Hon. Mr. CAHAN: I was merely suggesting that as regards the employment by the Commission. There may be—I do not know—strong reasons why the Commission should be free to employ musicians who are not members of the International Union. That is all I am suggesting.

Mr. BERTRAND: And whether it is our fault or not.

The CHAIRMAN: I think the Commission would be able to give us those reasons.

Hon. Mr. CAHAN: That may be so.

Mr. BERTRAND: And whether it is our fault or not through the questions we have asked. The Canadian Union is now in a very bad position after hearing what has been said.

Mr. McINTOSH: We asked the representatives of the union organization to come here. We did not ask the others. It is the fault of the committee.

Mr. CAMPBELL: No, no, these men asked to come.

Mr. McINTOSH: It is the same thing.

The CHAIRMAN: It is the committee's fault.

Mr. McINTOSH: We met their request.

The CHAIRMAN: The only request that I have received as chairman, and which I submitted to the subcommittee, was from the Federation of Musicians in Montreal to appear before the committee to air their grievances.

Mr. McINTOSH: That means that up to the present time the union organization is the only one we have had before the committee.

The CHAIRMAN: It is the only one that has made a request to appear.

Mr. McINTOSH: The fact is that they are the only ones who have given evidence.

WITNESS: Mr. Chairman, is it the wish of the committee that I tell the Honourable Mr. Cahan the oath they take?

Mr. CAMPBELL: I think so.

WITNESS: To clarify the air, I am not a very good ritualist, and I do not know that I can get it word for word, but I assure you gentlemen that I will give you the sense of it. The member repeats the following:—

I—giving his name—do hereby voluntarily agree to abide by the rules and regulations—of the particular local—and to all rules and mandates emanating therefrom, and to the American Federation of Musicians.

I explained before that their only control is in connection with travelling.

. . . . and which I affirm on my sacred word of honour.

It is a declaration, it is not an oath. That is all it is.

By Mr. Bertrand:

Q. It does not bind in any way except your honour?—A. Your honour. I would like to pay a compliment to the Canadian Radio Commission.

Mr. CAMPBELL: Hear, hear.

WITNESS: We want to be honest in these things. Speaking directly of Toronto, the Radio Commission are exclusively employing members of the Toronto Musical Protective Association and are paying the fee agreed on by the Commission at the conference, the data of which you have, without exception. The local supervisor, Mr. Bushnell,—we have had no cause to complain nor have we had a conference with him for a matter of months. So far as the Toronto local is concerned, our relations are perfectly happy and we are being paid the scale of wages that was agreed upon at the Ottawa conference.

By Mr. Bertrand:

Q. I understand that in Toronto most of the musicians belong to your union. Why is that not a fact in Montreal? You have perhaps six hundred members out of two thousand musicians in Montreal, and you have about sixteen hundred in your union in Toronto?—A. That would be due to the better judgment of the Toronto musicians, sir.

Q. I do not quarrel with that, but in Toronto the station could not provide any music without the union?—A. Right.

Q. While in Montreal they could?

By Mr. Campbell:

Q. But they maintain the scale?—A. Yes. The only complaint that we have is this; that if the supervisor in the Quebec district is permitted by the Commission to pay a lesser rate than that agreed on and imposes conditions contrary to the understanding, then immediately that places the Montreal musicians in unfair competition. The result is that programs leave Toronto and go to Montreal because of the lesser cost.

Q. Are you finding that happening?—A. That has happened, definitely.

By Mr. Bertrand:

Q. You do not know the conditions in Montreal as compared with Toronto?—A. I know Mr. Dupont.

Q. But you do not know the budget that has to be spent in Montreal as compared with Toronto?—A. I submit that we are not interested in the budget. All we are contending is that we met the Commission and they definitely agreed to do certain things which they have done in Toronto but not in Montreal.

By Mr. Campbell:

Q. The point you are making is that they are placing the Montreal station in a much better light before the commercial advertiser than the Toronto station?—A. Naturally.

By Mr. McIntosh:

Q. In Toronto the principle of supply and demand does not operate, but in Montreal it does?—A. Oh, yes, we have sixteen hundred men.

Q. Actually the union is not so effective there as it is in Toronto?—A. Yes, I would say so.

Q. Consequently the principle of competition is more operative?—A. Right.

By Mr. Ryan:

Q. Can you give us any information with regard to other places?—A. Yes.

By Mr. Bertrand:

Q. You mean it is unfair to the musicians?—A. Right.

Q. It is not unfair to the Commission?—A. It is unfair to the public.

Q. But it does not impair the quality?—A. No.

[Mr. W. M. Murdock.]

By Mr. Ryan:

Q. I would like the witness to tell us, if he can, whether or not union wages are being paid in other places, like the Maritime Provinces, the same as are being paid in Toronto?—A. I will answer that by saying this: that the agreement that was made with the Commission was that in cities where there was no organization, for instance, Saint John, the musicians there would be paid the same fee as they would be paid in Toronto.

May I tell you how the rates were fixed, Mr. Chairman? Is that relevant?

The CHAIRMAN: Yes.

WITNESS: When the negotiations were on with the Commission we felt that it was eminently unfair to, we will say, Vancouver or to Halifax, for an organist to play in Saint John for \$2 and one to play in Vancouver for \$8, and so we got details from all of them as to their prices. In some cases it meant a reduction. We levelled it out until we got a standard rate for the whole of Canada for like services whether they were in an unorganized district or not. All the people in Canada agreed to that; all the locals agreed to stand by it; it was all set. And that was the price list with conditions that the Radio Commission agreed to observe.

By Mr. Campbell:

Q. Have you complained to the Commission about the unfair competition between Montreal and Toronto stations?—A. Yes, I have talked with the chairman on the telephone about it.

Q. Once?—A. Many times. Mr. Charlesworth has been very courteous to me all through these negotiations. Sometimes we have had to say things that were not very pleasant, but they have not been personal, and he has always been a gentleman so far as I have been concerned. He has always been ready to listen to complaints, even if we did not get much action.

By Mr. Ryan:

Q. To go back to my question, I want to know whether or not, in these other cities, the Commission is carrying out this agreement in the matter of wages which they are paying?—A. Mr. Woodsworth has gone; he might have been interested in this. This is a letter dated April 1, 1936, addressed to myself, from the secretary of the Winnipeg local.

The CHAIRMAN: Read the letter.

WITNESS: The letter reads:—

Failing to make any satisfactory contact with Mr. Beaubien through our French Canadian members, the following letter has been sent to him, and also to Mr. J. S. Woodsworth, who is a member of the investigating committee.

DEAR SIR,—In reference to the investigation which your committee is conducting, this Association submits the following comments.

That the operations of the Canadian Radio Commission have resulted in increased unemployment amongst musicians throughout Canada.

(1) By the policy of picking up music from dance halls and hotels, and broadcasting same from Coast to Coast, in most cases, without payment to the musicians. This known as broadcasting by remote control, as distinguished from studio broadcasting. The broadcasting of all national programs has the effect of displacing men in local stations.

(2) By the broadcasting of United States programs.

(3) By the use of records. In some cases recordings have been taken of studio programs, unknown to the players, and rebroadcast without their consent, in other parts of Canada.

A member of the committee asked if the copyright law would not operate there. It most certainly does.

Hon. Mr. CAHAN: If it does, why not invoke it? We are not asking you for a judicial decision.

WITNESS: I am sorry, sir.

Mr. MCINTOSH: Out of the fullness of his heart he has to tell us some of these things.

WITNESS: The letter continues:—

(4) By not living up to the letter and spirit of the agreement made with our Canadian Radio Committee in July, 1934. An inquiry made into the amounts spent on musicians and other artists, in relation to the amounts spent otherwise will help to bear out the above claims. Mr. W. M. Murdoch the Chairman of our Canadian Radio Committee, will readily elaborate these points. In as much as music comprises such a large percentage of radio programs, this organization would respectfully suggest the inclusion of a competent and outstanding musician in the new radio organization, who would deal exclusively with musical affairs.

In conclusion, we would also suggest that our Canadian Radio Committee, which represents practically all of the professional musicians in Canada, should be invited to sit in joint conference with the representatives of the national radio organization, in order to most fairly and effectively handle all musical broadcasting matters.

Trusting that these comments and suggestions will be given due consideration,

I am, yours very truly,

D. SWAILES, *Sec.-Treas.*

By the Chairman:

Q. To whom is that addressed?—A. To myself.—A. copy went to you and a copy went to Mr. Woodsworth.

There is a program on in Montreal now that is not only in contravention of the agreement but is also definitely against, may I say this in the presence of the minister, K. R. & O. I refer to the broadcast of the Grenadier Guards Band.

By Mr. Bertrand:

Q. Would you repeat that, please? I did not hear it.—A. The King's Regulations and Orders—K.R. & O. I stand corrected, the minister finds I am in error. But the Grenadier Guards Band is playing a broadcast, I learned this morning, for half an hour, and they do a two hour rehearsal on Wednesday afternoon.

Q. You mean in Montreal?—A. In Montreal, yes. They are called to the studio for rehearsal at four o'clock, and they rehearse from four until six, and they put on a very excellent broadcast. But the price for that broadcast, the union scale for that broadcast as agreed is infinitely more than they are getting. They are getting \$5.00.

Q. You mean that the Grenadier Guards Band in Montreal would get \$5.00?—A. For each man.

By Mr. McIntosh:

Q. How many are there in the band?

By Mr. Bertrand:

Q. You were talking about the band, and I did not know what you meant?—A. I meant the individual. Now, the King's Rules and Regulations say this;

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that no permanent or non-permanent militia band will accept an engagement at less than that paid civilian musicians. In other words, if any band in Montreal or a band in Toronto was invited to play that engagement it would have to ask for the scale agreed on.

Hon. Mr. CAHAN: No, I cannot follow that.

Mr. McINTOSH: His point is that they are getting enough.

Mr. CAHAN: The point is if they accept the same rate as other civilians would accept, I cannot see for the moment that the King's Regulations are being violated.

WITNESS: May I say, Mr. Chairman, through you that there are established rates. We are dealing with something that is established.

Q. By whom?—A. By the Radio Commission and ourselves.

Q. You stated it was a contravention of an alleged agreement between you and the Radio Commission, which was not reduced to writing, and we have only your letter?

Mr. RYAN: I understand it is on the minutes.

WITNESS: The chairman has Colonel Steel's letter attaching the memorandum and confirming it.

Q. It is on the minutes, is it not?—A. Yes.

Hon. Mr. CAHAN: I have not seen that.

WITNESS: The chairman has that, sir. Now the point is that that particular engagement is being played at a lesser rate than that agreed upon.

By Mr. Campbell:

Q. What is the price agreed upon?—A. May I have my book, Mr. Chairman? This is the price for that engagement, Mr. Chairman—

By Hon. Mr. Mackenzie:

Q. In reading Colonel Steel's letter to yourself, under date of July 20, 1934, you were asked to come down to discuss details with reference to standard rates, but there is nothing that I have seen yet to indicate to me where and when these rates were fixed?—A. You have that document. There is another covering letter. It is the larger memorandum.

Q. Are the rates set out in that document?—A. Yes.

Q. There is nothing final in this letter at all?—A. No, but there is in the covering one. This is the broadcasting rate, gentlemen: Broadcasting local and chain, minimum of 25 men and leader, one quarter hour, side-men \$3, leader \$25. One half hour, side-men \$4, leader \$26.

Q. These are the rates agreed upon, are they?—A. Yes, sir.

Q. Have you a file with these documents in it?—A. You have it now.

Q. Which proves that the Commission accepted these rates specifically?—A. Yes, sir.

By the Chairman:

Q. You mean in the minutes of the meeting?—A. Right, sir.

Q. With the Radio Commission?—A. Yes.

Mr. CAMPBELL: I will move for a copy of the minutes of that meeting from the Radio Commission to be put on the file.

Hon. Mr. MACKENZIE: I have not seen that.

The CHAIRMAN: They are all filed.

Mr. CHARLESWORTH: There were no minutes of that kept.

By Hon. Mr. Mackenzie:

Q. Might I ask you this question, Mr. Charlesworth: You heard what the witness said about these specific rates, did the Commission specifically agree to these rates?

Mr. CHARLESWORTH: There were no figures discussed at the conference with Mr. Webber and Mr. Dunlop.

By Mr. McIntosh:

Q. No figures whatsoever?

Mr. CHARLESWORTH: No, except that we said we did not wish to undercut and we would pay union rates to the Canadians unions and to amateur organizations, if we used them, on the same basis as the union rates. The schedule had not been fixed at that time, so far as I know, and we gave a warning that if they tried to raise the rates too high it would simply mean cutting down the number of musicians.

Hon. Mr. MACKENZIE: Did you actually promise to pay the union scale of wages without knowing what those rates were?

Mr. CHARLESWORTH: We had an idea of what the rates were because we were paying the union scale.

Hon. Mr. MACKENZIE: Had they not submitted to you specific rates for the whole of Canada?

Mr. CHARLESWORTH: They had not at that time.

Mr. CAMPBELL: A blanket arrangement.

Mr. CHARLESWORTH: We were paying the union scale provided they did not run it up.

Mr. McINTOSH: There is a lot of information to come out yet.

WITNESS: This was in July (handing letter to Hon. Mr. Mackenzie).

By Hon. Mr. Mackenzie:

Q. That is only a letter inviting you to come up:—

CANADIAN RADIO BROADCASTING COMMISSION

OTTAWA, July 20, 1934.

Dear Mr. MURDOCH:—We are very anxious to get the matter of standard rates for musicians settled as early as possible and there are a number of points about which we are not very clear and some suggestions which we would like to make to you with regard to this matter.

Would it be possible for you to come to Ottawa to meet some members of the Commission staff with regard to this matter some time between the 7th and 15th of August. I am suggesting this period because I expect to be away myself for about ten days just previous to the 7th and Mr. Bushnell may also be away for part of that time.

It is quite possible that you yourself may have certain engagements and we are anxious to give you reasonable time in which to set an appointment. It would be appreciated if you could make this arrangement, as we are particularly anxious to have this matter adjusted as early as possible.

Yours very sincerely,

(Sgd.) W. ARTHUR STEEL,
(W. Arthur Steel) *Lieut.-Col.,*
Commissioner.

Walter Murdoch, Esq.,
Musical Protective Association,
Metropolitan Building,
Toronto, Ont.

[Mr. W. M. Murdock.]

There is nothing to prove they were specifically settled?—A. We are asked to come to discuss the matter of rates. I replied as follows:—

TORONTO, July 23rd, 1934.

Lieut.-Col. W. ARTHUR STEEL, M.C.,
Canadian Radio Broadcasting Commission,
Ottawa, Ontario.

DEAR COL. STEEL,—I beg to acknowledge receipt of your letter of the 20th instant, with reference to the matter of standard rates.

In case you are not in possession of these rates, I am enclosing herewith extracts from our local book, which are the standard rates agreed on by all Locals in Canada.

I will be very glad to come to Ottawa between the 7th and 15th of August, and would prefer Saturday August 11th, if this would suit your convenience. Just prior to this date, we have the Canadian Corps Re-Union in Toronto, and I will be unusually busy in connection with the activities of The Toronto Regiment.

Yours very sincerely,

Chairman

Canadian Radio Committee.

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Q. Your contention is that they accepted these rates?—A. They had those before the other conference.

By Mr. Bertrand:

Q. Did the Commission accept those rates?—A. Yes.

By Hon. Mr. Cahan:

Q. Your contention now is that a band of the permanent militia of Canada cannot be employed by the Commission for the broadcasting of instrumental music at lesser rates than the rates you are paid?—A. I do not say that. The Militia department does.

By Hon. Mr. Mackenzie:

Q. It says "less than civilian bands"?—A. Yes.

Q. That might mean bands not within your union?—A. No, because the regulation goes on to say—

By Hon. Mr. Cahan:

Q. I want to know is that your contention? We can decide quite as competently as you as to the purpose of meaning of the regulation?—A. The other matter that I was referring to has a direct bearing on it, and it says that no militia band will at any time replace a civilian organization that is on strike or in any labour trouble.

By Mr. Bertrand:

Q. Are all the bands in Montreal members of your union?—A. I do not know Montreal; I know Toronto.

By Hon. Mr. Cahan:

Q. You were referring to the Grenadier Guards band of Montreal?—A. Yes.

Q. And a certain performance by the Grenadier Guards band?—A. Yes.

Q. And that performance was not given when your union was on strike?—
A. Quite right.

Q. Why go off into these conditions? Your simple contention before this committee is that a band of the permanent militia—A. Non-permanent.

Q. Non-permanent?—A. Yes.

Q. The Grenadier Guards are non-permanent?—A. Yes.

Q. That a band of the non-permanent militia of Canada cannot perform on its instruments for the purpose of broadcasting at less than the union rates?—A. Right, sir.

Q. And that that should be the decision of this commission?—A. No. I am contending that the commission agreed to pay the union scale.

Q. We are dealing now with the future. Is that your contention?—A. Of course it is my contention.

Q. Why not simply say so?—A. Very well.

By Mr. Campbell:

Q. What was the comparative price?—A. The comparative price was—

Q. Do not give us a quarter-hour or half-hour?—A. It was a half-hour broadcast.

Q. With a two-hour rehearsal or something like that?—A. No. It was a half-hour broadcast, but before the broadcast the men should have been paid \$4, with a free half-hour rehearsal. Let us forget the rehearsal they did in their band-room in the Armouries and take the two-hour rehearsal they did in the studio. For that they should have been paid—let me look it up:—

Any additional rehearsals required, whether before or after free rehearsals, are to be computed as follows:

Sidemen, \$2 per hour; leader, \$3 per hour. Thereafter sidemen, 75 cents per half hour; leader, \$2 per half hour or less.

In other words, the men should have received \$7.75 and they were paid \$5.

Q. If the half-hour rehearsal was supposed to be free there would be only an hour and a half left?—A. No; they had actually a four-hour rehearsal; I am being generous.

By Hon. Mr. Cahan:

Q. Your contention is that if they took the full rehearsal into account they should have been paid \$7.75 instead of \$5?—A. Yes.

By Mr. Bertrand:

Q. A lot of these musicians were members of your union?—A. They were all.

Q. And the bandmaster, Mr. Gagnier?—A. Yes.

Q. How could they give such a broadcast without following your rules?—A. You heard from the previous witness from Montreal that they have always been under-cut in Montreal.

The CHAIRMAN: Gentlemen, it is now five minutes past one, and I do not think we shall be able to get through before luncheon.

By Mr. McIntosh:

Q. The sum and substance of your argument is that the commission did not live up to its agreement?—A. Yes, sir.

The CHAIRMAN: I suppose it will be possible to meet this afternoon?

WITNESS: I can finish in five minutes, sir.

Mr. RYAN: Then why not let him finish, Mr. Chairman?

The CHAIRMAN: If the witness can finish in five minutes I think we had better allow him to proceed. You may proceed, Mr. Murdoch.

[Mr. W. M. Murdoch.]

WITNESS: Now, in the matter of broadcasting American programs which are played by the members of the American Federation of Musicians, we feel that these programs which come in here advertising American products of companies who have branches here—

By Mr. McIntosh:

Q. Would it not be better to say "United States" instead of "American"? Canadians inhabit a portion of North America.—A. Quite right. The United States programs come in advertising their products. A great deal of money is spent for continuity. The average rehearsal on NBC and Columbia is eighteen hours, and we are fortunate if we get one hour or two hours in Canada. That has a great deal to do with the quality of the program you hear from coast to coast. The musicians are paid a higher scale. The advertising and continuity is done there, and our musicians sit at home and listen to them, and there is not one cent of protection in any shape or form.

By Hon. Mr. Cahan:

Q. How can you compare Canada with the United States in the matter of broadcasting stations?—A. I am merely pointing out the conditions to this committee, and I think possibly this committee will find the solution. Take remote control: In all hotels in Canada orchestras get so much per week. If they want to broadcast a program over the radio the employer pays a nominal fee of \$1 per half hour per man, and with nine men in the orchestra that would represent \$9, and the Commission pays nothing; and every musician from Halifax to Vancouver listens to it. That is eminently unfair. We do not want the musicians who are broadcasting to get a larger fee, but we feel it should be minimized and that musicians should be employed from coast to coast.

Q. In other words, that if in the Chateau Laurier they have instrumental music at the dinner hour it should not be broadcast?—A. Not under the conditions existing, namely, remote control.

Q. What do you mean by the conditions?—A. Remote control, \$1 for half an hour. In other words, a very fine quartette here plays on the air for one hour across Canada. The hotel pays possibly \$6 for the broadcast and the musicians in every other part of Canada sit and listen to it.

By Hon. Mr. Mackenzie:

Q. You suggest that they are cutting prices?—A. Yes.

By Hon. Mr. Cahan:

Q. That is what the orchestra at the Chateau Laurier is paid for. They are permanently employed?—A. They are paid to play for the dinner section of the Chateau and not to entertain people from Halifax to Vancouver.

By Mr. Campbell:

Q. Are they not employed by the Chateau Laurier to do as the employers wish?—A. No.

By Mr. Bertrand:

Q. They are employed to play so many hours per day or per week?—A. No.

By Hon. Mr. Mackenzie:

Q. Your point is that while they are employed to entertain those actually present in the Chateau Laurier they are recording music all over Canada and thereby cutting prices against other musicians?—A. Yes.

By Mr. Bertrand:

Q. But that condition has been created by the radio?—A. Yes.

Q. Because their contract must be what it was many years ago?—A. May I point out that before the Radio Commission came into being—and I think that somebody attending the Trades and Labour Congress at Hamilton and other places got the bright idea that it would be a glorious thing to have public ownership of the radio—there were in Toronto five stations and other places who had their own constituency and area to cover. They were in competition with one another, and when they sold an hour to a sponsor they tried to get a little better music than the other fellow had, and it went into a restricted area. Now even on remote control it goes from coast to coast, and while a few musicians have benefited by the Radio Commission and have secured more work the greater number of musicians have suffered throughout the length and breadth of Canada.

By Hon. Mr. Mackenzie:

Q. Is not the development of science more to blame for that than the Radio Commission?—A. Yes.

By Mr. McIntosh:

Q. Does not an antagonistic position develop there? Your idea is to employ as many musicians as possible and to leave out of the picture the wider perspective of the national welfare in a musical way?—A. No; I think the Radio Commission has done excellent work in connection with national events, but I am talking now about the great amount of music that is broadcast that was centralized, that now goes from coast to coast with very little cost to the Commission.

By Mr. Bertrand:

Q. The condition is comparable to that of the artists in the theatre before the cinema arrived?—A. You cannot stop progress. Science has been both kind and unkind to us.

By Mr. Massey:

Q. Going back to the days "B.C."—that is before the Commission!—do you consider that the programs were better then?—A. We had excellent orchestras: The Imperial Oil and the C.I.L. and the Bell Telephone Company.

By Mr. Bertrand:

Q. It is not due to the Radio Commission but due to circumstances?—A. Yes.

Q. To business enterprises paying more for these programs?—A. Yes. I am not quarrelling with the Radio Commission for having chain broadcasts, but I am suggesting that there is an evil which should be corrected.

By Mr. Massey:

Q. A limited number of musicians, according to your own statement, have benefited as the result of the Radio Commission in view of the fact that the work has been concentrated in certain areas and the better men have obtained employment?—A. Yes.

Q. And less men are employed and hardship is inflicted on those who have not been employed as the result of chain broadcasts?—A. Yes. Mr. Charlesworth differentiates between the blattnerphone and other recordings. One is on a steel strip and the other on a disc. It does not make a bit of difference what the process is if the result is the same, but the programs can be taken without

[Mr. W. M. Murdock.]

the consent of the musicians and re-broadcast without the musicians being paid for that. I will not put it as strongly as Mr. Dunlop did, but I do submit that it is awfully unfair.

By Mr. Bertrand:

Q. Has it been done to a large extent?—A. Yes, when the strike was on the Radio Commission were able to reproduce many of the broadcasts we had played before on the blattnerphone, and we have had complaints from Windsor, Winnipeg and Montreal. I contend that if the Commission wants to broadcast records over the blattnerphone for history it is perfectly all right, but if they intend to re-broadcast those commercially they should pay the regular rate for them and everybody would be happy. The Chairman gave us his assurance that no records would be made.

Q. It would be very interesting to know to what extent it has been done?—A. To a great extent. For instance, I read you a letter from Winnipeg—

Q. Yes, but a general statement will not satisfy us. I would like to know how many cases you had?—A. I would be glad to get the details from all the locals.

Hon. Mr. MACKENZIE: They get royalties from gramophone records.

WITNESS: Oh, yes. For instance, we had the Philadelphia orchestra in Toronto, and they came for a fee and they played under local management. If we were to use a Blattnerphone and take a record of it we would get into hot water immediately.

By Mr. Campbell:

Q. Do you have that in private stations?—A. No.

Q. It is not a general principle throughout radio?—A. No, sir.

By Mr. Massey:

Q. How many musicians are members of Local 149?—A. 1,600.

Q. How many are engaged more or less constantly in radio work?—A. Well, if you take remote control they flitter from flower to flower. They will possibly take a half a dozen in one night. I would possibly say in Toronto that it could be boiled down to around 100 people. Our appropriation has been slightly increased.

Q. How many of those sixteen hundred men have fairly steady employment, I mean, such as the Toronto Symphony during the winter?—A. The Toronto Symphony have their symphony season, which is a matter of ten weeks, and the Toronto Symphony is operated by the kindness and generosity of men who are interested, as with every symphony. In the summer, we run our own promenade symphony to take care of those men so that they will not go on relief and be a burden.

Q. How many of those sixteen hundred men are dependent, say, upon their instruments for their livelihood?—A. I would say easily nine hundred of them. I think that would be a very conservative estimate.

By Mr. Campbell:

Q. Do the private stations maintain your tariff of rates?—A. In Toronto, yes.

Q. But do they throughout all Canada?—A. Yes, largely. I have not any complaints that they do not, and if they did not I would have the complaints.

By Mr. McIntosh:

Q. How many unions have you in Canada?—A. 27.

Q. They simply cover the high spots, the big centres of the Dominion?—A. Yes. Brockville, for instance, is not a very large place, but they are organized. London, Hamilton, Galt, and through the West, Regina, Saskatoon, and Calgary.

Mr. McINTOSH: I imagine they should have more than that if it was fairly representative.

By Mr. Massey:

Q. How much interest does New York take in your activities?—A. Very little interest, Mr. Massey. I explained before you arrived that each of our locals has absolutely local autonomy. If we get into difficulty with some American producer they become very actively interested to see that we are taken care of.

By Hon. Mr. Mackenzie:

Q. Regarding this agreement, I see in your minutes— —A. Those are the Commission's minutes.

Q. It states:—

It was decided that on August 11th, the new scale of rates would be paid to union musicians employed at Montreal, as is being done in other parts of Canada.

A. Right.

Q. Further it states:—

Mr. Dupont suggested that the rates established for centres such as Saint John, Halifax, Quebec and the smaller cities of the Canadian West such as Moose Jaw, Saskatoon, Calgary, Edmonton, Regina, be the following:—

A. He suggested that, but those locals would not agree to it. They said, "Why should we play for less money than you are getting?"

Q. The heading of this is:—

Minutes of a Meeting of the Representatives of the International Union of Musicians held at the offices of the Radio Commission, National Research Building, Ottawa, On Saturday, August 11, 1934.

A. They were sent to us by Colonel Steel. Mr. Chairman, may I suggest that that is covered by a letter from Colonel Steel saying, "Here are the minutes of the meeting." They wrote them, we didn't. Colonel Steel's letter reads:—

I am attaching herewith a copy of the minutes of the meeting which took place on Saturday morning in our office.

I think this pretty thoroughly covers the points discussed. If you are in agreement, perhaps you would be good enough to approve of these in writing at your convenience.

By Mr. Campbell:

Q. Did you reply?—A. Yes.

Q. Can you put your reply on the record? Is this your reply?—A. No, our reply is not here, but I did confirm it.

Mr. CHARLESWORTH: These minutes are of a later discussion. There were no minutes kept of the original discussion. There was a discussion later with Mr. Bushnell and Mr. Dupont as to rates.

Hon. Mr. MACKENZIE: He has proved his point with regard to that.

The CHAIRMAN: Have you any thing further to add?

Mr. JONES: I came with Mr. Dunlop, to help him. He has covered the Montreal situation. I have not anything further to add.

[Mr. W. M. Murdock.]

Mr. CAMPBELL: Before we adjourn, I should like to move for the production of the contract with the commission regarding station CKNC, the correspondence between the commission and the Canadian National Carbon Company regarding that station, and also for the expense accounts and vouchers from the Auditor-General's Department during the last fiscal year of Mr. J. A. Dupont, Mr. G. A. Taggart, Mr. G. W. Olive and Mr. R. P. Landry.

Hon. Mr. MACKENZIE: It is suggested that it might be appropriate for one of the Conservative members to replace our late friend Mr. Plunkett. If the recommendation is passed on to our group, we will have that done.

The CHAIRMAN: Before we adjourn, I might say that to-morrow the Radio League will be here.

Mr. CAMPBELL: To-morrow or Thursday.

The CHAIRMAN: I mean on Thursday; and also this gentleman from New York, Mr. Parkinson.

Mr. McINTOSH: Has the Radio League just one representative?

The CHAIRMAN: The Radio League has Mr. Plaunt, Mr. Scott and Father Denis.

Mr. McINTOSH: Three?

The CHAIRMAN: Yes.

Mr. BERTRAND: When are we sitting again?

The CHAIRMAN: On Thursday morning at 11 o'clock.

The committee adjourned at 1.25 p.m. to meet again on Thursday, May 7, at 11 a.m.

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SESSION 1936
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

TUESDAY, MAY 7, 1936



WITNESSES:

- Mr. Alan B. Plaunt, Honorary Secretary, Canadian Radio League, Ottawa and Toronto.
- Mr. Brooke Claxton, Barrister, Toronto, Counsel for the Canadian Radio League.
- Rev. Father H. St. Denis, Professor of Philosophy, Ottawa University, Ottawa.
- Mr. Herbert Moore, New York, President, Transradio Service, Headquarters, New York City.

MINUTES OF PROCEEDINGS

MORNING SITTING

HOUSE OF COMMONS, ROOM 375,

THURSDAY, May 7, 1936.

The Special Parliamentary Committee on Radio met at 11.00 o'clock this day, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present:

Messieurs: Beaubien, Bertrand (Laurier), Cahan, Campbell, Edwards, Hanson, Howe, MacKenzie (Neepawa), McIntosh, Martin, Ryan and Woods-worth.—12.

In Attendance as witnesses:

Mr. Alan B. Plaunt, Honorary Secretary, Canadian Radio League, Ottawa and Toronto.

Mr. Brooke Claxton, Barrister, Toronto, Counsel for the Canadian Radio League.

Rev. Father H. St. Denis, Professor of Philosophy, Ottawa University, Ottawa.

Present:

Chairman, Commissioners and officials of the Canadian Radio Commission, Ottawa.

Heads of the Radio Service, Department of Marine, Ottawa.

The Chairman submitted the following communications relative to radio matters, received since meeting of April 28th, up to to-day's date, viz:—

Mr. T. D. MacIsaac, Secretary, Melrose Lodge No. 423, of the U.F.C., Glen Kerr, Sask., April the 29th.

Reverend Geo. G. Webber, 3514 West 36th Ave., Vancouver, B.C., April the 21st.

Mr. R. Graham, Toronto, Ont., April the 25th.

Mr. G. Fred McNally, Deputy Minister, Department of Education, Edmonton, Alta., April the 30th.

Mr. Jas. A. McGeer, 5829 Sperling St., Vancouver, B.C., April the 28th.

Mr. Peter Campbell, Salmon Arm, B.C., April the 18th.

Petition from St-Paul du Nord, Saguenay County, Que.

Mr. E. A. Weir, 200 Bay St., Toronto, Ont., May the 4th.

Mr. R. C. Wallace, Edmonton, Alta., May the 5th.

Mr. George N. Lapan, 101 Louton Blvd., Toronto, Ont., May the 5th.

Filed by instruction to the Radio Commission, and produced from the Office of the Auditor General:

Expense accounts and Vouchers of certain officials of the Canadian Radio Commission, Marked Exhibit No. 30.

The Chairman read into the record a letter received from Mr. Dunlop, President, Montreal Federation of Musicians, containing the oath administered to the candidates when seeking membership, as represented to the Committee on Tuesday, May 5. (See evidence this date).

Mr. Frank Blais, Member for Chapleau, with residence at Amos, Quebec, by permission of the Committee, made a statement to the Committee respecting the inadequacy of the radio service in his district, and other districts throughout the north country, largely because of the more powerful stations of the United States, and one in particular in Mexico, blanketing reception of Canadian stations in that district. He thought they should have a station at Amos.

Mr. Alan B. Plaunt called:

Mr. Plaunt submitted a brief, copies of which were distributed to members of the Committee present, setting out the views of the Canadian Radio League and numerous other organized bodies, for the management and control of radio broadcasting in Canada.

Witness continued answering questions; when some answers required explanations more detailed, and of a more legal character, *Mr. Brooke Claxton was called*; the examination from then on being continued with both witnesses answering questions.

It being one o'clock the Committee adjourned to resume again at 4.00 p.m.

AFTERNOON SITTING

The Committee resumed at 4 o'clock, the Chairman presiding.

Members present: Messieurs: Beaubien, Cahan, Campbell, Cochrane, Dupuis, Edwards, Hanson, MacKenzie (Neepawa), McIntosh, Martin, Ryan and Woodsworth—12.

In Attendance as witnesses: Mr. Alan Plaunt, witness at the morning sitting.

Rev. Father H. St. Denis, who was not heard at the morning sitting.

Mr. Herbert Moore, New York, President, Transradio Service, Headquarters in New York City.

Present: Members and officials of the Canadian Radio Commission, Ottawa; and Heads of the Radio Service, Department of Marine, Ottawa.

Rev. Father St. Denis called and made a statement, expressing his opinion that the French speaking Canadians were almost solidly in support of a nationally owned and controlled radio broadcasting service throughout Canada, and for that reason he was supporting the Canadian Radio League.

Mr. Plaunt joined Father St. Denis in answering some of the questions submitted by different members of the Committee.

The Chairman, on behalf of the Committee, thanked the representatives of the Canadian Radio League for their submission, and voiced the appreciation of the Committee in having placed before it such a carefully worked out and comprehensive set-up for its consideration.

The witnesses retired.

It was decided that the brief submitted would be printed (See appendix No. 3).

Mr. Herbert Moore called:

The witness submitted a carefully prepared brief, in which he made a strong protest against certain statements made, and the attitude generally, of the Canadian Press; the brief he submitted being largely rebuttal evidence to that given before the Committee on April 7th last, by the Canadian Press representatives.

The witness continued until 6 o'clock, the hour of adjournment.

Mr. Cahan filed a copy of "The King's Regulations" in connection with military bands being employed and paid. This paper was filed as a sequence to evidence submitted on May 5th by musical organizations of Canada.

Mr. Carnegie, Parliamentary Superintendent, Canadian Press, requested an opportunity for a representative of the Canadian Press to come before the Committee, in reply to statements made by President Moore, of Transradio News Service at to-day's sitting.

The Committee adjourned to meet again to-morrow—Friday—at 11 o'clock, same room.

E. L. MORRIS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 375,

Thursday, May 7, 1936.

The Special Committee appointed to enquire into the administration of the Radio Broadcasting Act of 1932 and amendments met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will kindly come to order, we shall begin. At our last meeting, when Mr. Murdoch was on the stand, the members asked him to produce a copy of the oath and the necessary conditions to join the Musicians' Federation of Montreal, a local of the International Federation of Musicians. Mr. Dunlop has handed me this letter, and I will hand it to the reporter; or shall I read it? Would you like me to read it?

Mr. BERTRAND: Yes, you had better.

The CHAIRMAN: The letter reads:—

I now take pleasure in quoting the oath, if it might be termed as such, which new members are required to take upon joining the above association.

I,..... in the presence of the members here assembled, do solemnly promise and declare that I will support the Constitution and By-laws of the Musicians' Federation of Montreal, an affiliate of the American Federation of Musicians of the United States and Canada, and submit to its mandates, and obey all laws emanating therefrom. To all this I pledge my sacred word of honor.

As I stated before your committee our initiation fee is \$50.00, although there are usually two periods in the twelve months that we open a campaign for new members at a fee of \$15.00; also we lower the \$50.00 amount considerably if we can take in an organized group of musicians.

Eligible for membership are all professional instrumental musicians, over sixteen years of age, who are efficient and of good character, British subjects or citizens of the United States, or who have declared their intention of becoming such, regardless of race, creed or colour.

Any one with Communistic inclinations is not entertained under any circumstances as eligible for membership.

Trusting that the above information will be of service to you, I beg to remain,

Yours very truly,

STUART P. DUNLOP, Pres.

Mr. McINTOSH: Is that declaration taken under oath or affirmed?

The CHAIRMAN: It is taken just like that (indicating). You just put up your hand. I think it is just the same as they have in them all.

The last time that we met it was agreed that we should hear The Radio League.

Mr. McINTOSH: May I interrupt for a moment. I think this same man who sent you this declaration—Mr. Murdoch, is it?

The CHAIRMAN: No; Mr. Dunlop.

Mr. McINTOSH: Mr. Murdoch, I think, said that he would let us have information in answer to one of my questions, namely, the detailed membership of the different union zones.

The CHAIRMAN: I have not received that.

Mr. McINTOSH: Throughout Canada.

The CLERK: I wrote to him.

Mr. McINTOSH: Thank you.

The CHAIRMAN: At our last meeting it was understood that we would hear The Canadian Radio League today. We have with us Mr. Alan B. Plaunt, honorary secretary; Mr. Brooke Claxton of Montreal, barrister, counsel, and member of the executive committee of the Radio League; and Rev. Father St. Denis, professor of philosophy at the University of Ottawa, also a member of the committee. This morning I received a telephone message from Mr. Moore of the Trans Radio Press of New York, and I expect he will be here during the day. If it is the pleasure of the committee we will give the Radio League the preference this morning. But, before we do that, we have Mr. Blais, the member for Chapeau, who has to go away and would like to give a brief statement to the radio committee. Would it be the wish of the committee to hear him now?

Mr. CAMPBELL: Certainly.

Mr. McINTOSH: We are always delighted to hear any member.

Mr. FRANK BLAIS: We would like to get a broadcasting station at Amos. The reason we are asking you for this is that we are quite away from Montreal; and when the Mexican station is operating we cannot get Montreal.

Mr. BERTRAND: You mean that you cannot get Montreal or Toronto when the Mexican station is operating?

Mr. BLAIS: No, we cannot get them.

Mr. BERTRAND: You only get Mexico or the States?

Mr. BLAIS: Or the States. We can get Washington, New York or Ohio. We get them in preference to Montreal. But when the Mexican station is operating, we can hardly get any of those stations. We hear Mexico very well, though.

Mr. McINTOSH: Where do you want to get this broadcasting station?

Mr. BLAIS: At Amos.

Mr. EDWARDS: Does that same condition obtain in Cochrane and along the Transcontinental?

Mr. BLAIS: If there is one station at Cochrane, I have never noticed it. I have never got it.

Mr. EDWARDS: I mean, are places like Amos and Cochrane along the Transcontinental all in the same condition?

Mr. BLAIS: Well, I know in the Abitibi district it is all the same. I have had many letters—one was sent by the priest of Dupuy—asking for a broadcasting station in Amos, so that we could get Montreal when we wanted to.

Mr. EDWARDS: Does that same condition, for instance, apply to Rouyn and all along?

Mr. BLAIS: Yes; all over the north there.

Mr. BERTRAND: What is the population of your district?

Mr. BLAIS: We have about 65,000 of population. This is the Rouyn and Abitibi districts.

Mr. CAMPBELL: It is growing?

Mr. BLAIS: It is growing. Last year it increased about 15,000; and it is going to grow this year if we have the same aid from the governments for colonization work there. It is supposed to be growing by about twelve to fifteen parishes per year, every summer.

Mr. McINTOSH: What is the population of the centre where you want the broadcasting station?

Mr. BLAIS: Right at Amos we have 5,000 population, and Amos is the distribution point of 22,000 of population. We have all the mining district of the Arricanaw river. We used to go up the Arricanaw river to go to the mine. Now we have a road from Amos which will be open in a week or so. We are waiting for the frost to get out of the ground. But we have eleven parishes around Amos, from which the people go into Amos. It is the point of distribution.

Mr. BERTRAND: How many parishes have you in your district?

Mr. BLAIS: 48.

Mr. BERTRAND: And in none of those places can you get Montreal or Toronto?

Mr. BLAIS: No, in none of them; because they are writing me from all over, blaming me for not asking this committee for a broadcasting station at Amos, I wrote back to them that during the sittings of the committee, or while it was in session, I would ask for that.

Mr. WOODSWORTH: You speak of your own district. Have you any knowledge as to how far similar conditions prevail throughout the whole of northern Ontario?

Mr. BLAIS: As far as Cochrane is concerned, Mr. Bradette was telling me that they have very poor service. Cochrane is the next riding to mine. I must say this, that we go as far as James Bay or Hudson Bay, from the Atlantic ocean. My riding is 400 miles by 300 miles in extent from Valdor, to the ocean. Between all of these places I must tell you there is about a thousand men prospecting the land for mining development. Many of these people have radios in their camps, and they are complaining that they do not get any news from Montreal or Toronto when the Mexican broadcasting station is in operation.

Mr. BERTRAND: You do not know what the power or wattage of that Mexican station is?

Mr. BLAIS: I have been informed that it is 50,000.

Mr. BERTRAND: 500,000, I think.

Mr. BLAIS: And another thing, Chibougamou, which is about 150 miles north of Amos, is going to be a large mining district very soon. They tried last winter to make some progress, but the snow road did not last long enough, on account of the soft spell we had in March. I intend to ask the House this afternoon to have a road built from Amos over to that point. There are 155 mining claims some of which now need good roads to transport missionaries and others need missionaries to do underground work for gold production.

Mr. CAMPBELL: That is Chibougamou?

Mr. BLAIS: Yes, from Amos up to Chibougamou, through Rose Lake and those places. I must tell you, for your information, that the General Airways have an emergency station in case they have an accident there. They would like to get a good radio broadcasting station at Amos so they could communicate with us. In the last six years we have had thirteen mining developments which are producing gold now, and there are 155 more mining claims in the position I described. I think if we get a radio station there, in another five years we will get 25 gold mining producers. It is going to be a large district. I think that we

should get for the population of that district, for future development—covering about 90 thousand square miles, as far as the map is concerned—something to help that district, and we are asking you for this. It is your co-operation that we want to assist in the development of our district.

Mr. BERTRAND: You mean you need our recommendation to the government?

Mr. BLAIS: Absolutely.

Mr. BERTRAND: I, for one, am ready to give it.

Mr. CAMPBELL: I can vouch for what Mr. Blais says about the radio reception in his area, because I have tried it myself.

The CHAIRMAN: Is that all you wish to say, Mr. Blais?

Mr. BLAIS: Yes.

The CHAIRMAN: All right, thank you.

The Radio League has prepared a very comprehensive document, and every member, I think, has a copy in his possession. The Radio League and the members that are here have brought this down to a condensed form.

Mr. McINTOSH: It is quite a ponderous submission yet.

The CHAIRMAN: If it is agreeable to the committee, I think that this brief should be put in the record, because it has had very deep and extensive study. The members of the Radio League could present it.

Mr. McINTOSH: Explain it.

The CHAIRMAN: They could explain it in condensed form. Is that the wish of the committee?

Mr. McINTOSH: How many have you here from the League?

The CHAIRMAN: We have three gentlemen here from the Canadian Radio League. If it is the wish of the committee, I shall call on Mr. Plaunt, the secretary of the League.

ALAN B. PLAUNT called.

Mr. RYAN: Have you divided up the thing so that each one will deal with different features?

WITNESS: May I explain that?

The CHAIRMAN: Yes.

WITNESS: May I first of all, Mr. Chairman, express our appreciation for the privilege of appearing before the committee to-day. Mr. Claxton and Father St. Denis, who are associated with me in presenting this statement, have both been members of the executive of the League since its inception in 1930. With your permission I would like to run through this brief. I do not intend to read it all, but I would like to touch on certain points which we wish to stress at the present time; the rest can be read by the members of the committee at leisure. Mr. Claxton is prepared to answer questions more particularly on section III, "A Plan of Reorganization;" that is, on the set-up of a new broadcasting organization. Father St. Denis is prepared to indicate the point of view of French Canada in certain respects. He has taken a special interest in French-speaking opinion, and he would be prepared to answer questions on that point. Does that answer your question?

Mr. RYAN: Yes, it does.

Mr. BERTRAND: Which page is that?

WITNESS: Page (ii) is the general plan of this brief. I would like to run through that.

[Mr. Alan B. Plaunt.]

WITNESS: Perhaps I had better explain it from page to page. The second page (i) is a summary of the argument and recommendations. That is simply a summing up in one page of the position we take in this brief. That is for the convenience of the members of this committee.

Mr. RYAN: I want to call your attention to the fact that the pages are not numbered that way. Page 1 states the proposals of the Canadian Radio League.

WITNESS: I realize that. This first part was tacked on, so to speak. That forms the brief proper.

Mr. MACKENZIE: It is a preface.

WITNESS: That is it. Our brief is entitled "Proposals of The Canadian Radio League for the Organization of Broadcasting in Canada." The plan is: I, "The Canadian Radio League," on which I intend to give an indication of the position the Radio League has taken at various times since 1932, and the support it has had; II, "Considerations Involved in a Reorganization," which is divided into (a) "Considerations of Principle"—the principle of a public system, and (b) "Considerations of Method"—the way a public system should be organized; III, "A Plan of Reorganization," that is, the plan that we submit at the present time; IV is some indication of what its importance to Canada is, in our opinion; V covers certain alternative proposals which have been brought before the public; and VI is a final summing up. The Appendix contains (1) "Excerpts from Recent Editorials," and (2) special statements which we have been asked to place before this committee by certain of our supporting organizations—The Trades and Labour Congress of Canada, The Universities' Conference, the United Farmers of Alberta, the United Farmers of Canada, and the Canadian Legion of the British Empire Service League.

I should like to run through this brief as quickly as possible. I do not intend to read more than one-third of it, but the members may wish to make notations as we proceed:—

PROPOSALS OF THE CANADIAN RADIO LEAGUE FOR THE ORGANIZATION OF BROADCASTING IN CANADA

We have been authorized by the Canadian Radio League to present the case against any departure from what we believe to be the necessary principle of a national broadcasting system, and in favour of a revision of the method of such a system along the lines originally proposed in 1932 and 1934.

To this end we will briefly review the proposals and support of the League and discuss the main considerations which should govern a reorganization. We then propose to outline in some detail a plan of reorganization to suit present circumstances and financial exigencies, and to indicate the paramount importance of such a reorganization to Canada. We also propose to indicate the implications of certain other proposals which are being made, and in conclusion to attempt to define what appear to us the real issues at stake.

(1) THE CANADIAN RADIO LEAGUE—PROPOSALS AND SUPPORT

(A) Special Parliamentary Committee of 1932

To those who have perused the minutes of the Special Parliamentary Committees of 1932 and 1934 the Canadian Radio League needs no introduction. At the Committee of 1932 the League was mainly responsible for the body of evidence and opinion which impelled that Committee unanimously to report in favour of public ownership and control as the principle upon which Canadian broadcasting should be organized.

The scheme advanced by the League at that time was based upon the recommendations of the Aird Report, though modified to suit altered circumstances.

I shall skip over page 2, which deals with the proposals of the League placed before the Committee of 1932. I shall also skip over the list of supporting witnesses who appeared before the Committee of 1932. That was a formidable list of witnesses. On page 3 it says:—

There is no doubt whatever that at that time Canadian public opinion was virtually unanimous in favour of a public service system. Virtually every element in Canadian life, both French and English speaking, actively supported the establishment of Canadian radio on a public service basis.

A complete list of this support may be found in No. 13 of the Minutes of the 1932 Committee.

On page 4 are the comments we made in 1932 in criticisms of the set-up of the Broadcasting Commission.

(C) Special Parliamentary Committee of 1936

The proposals for a reorganization which we are going to make to-day are in their essentials the same as those outlined above, though obviously changed circumstances and experience demand many changes of detail.

We believe, however, that these proposals are basically sound and that the experience of the last four years gives them a fresh validity. A recent canvass of the view of the organizations, individuals, and newspapers which have supported the League indicates the general feeling that had the type of set-up advocated by us in 1932 been adopted, the present situation, where the very principle of a public system appears to be at stake, could not have been possible. Our canvass reveals, however, no support for the contention that the principle of a public system has failed.

There is no doubt whatever that responsible public opinion, while recognizing the need for some revision of method, would be opposed to any departure from the principle of public ownership and control. Of the organizations, individuals, and newspapers which comprise the main bulk of support for a public service system, none have indicated any change of view on this matter of principle. Some have asked us to lay their views in detail before the Committee, and with your permission we should like to include in the Appendix statements from the Canadian Legion, the Trades and Labour Congress of Canada, the Universities' Conference (which comprises the heads of Canadian universities), the United Farmers of Alberta, and the United Farmers of Canada (Saskatchewan). We should also like to include in the Appendix excerpts from recent editorials which serve to illustrate certain points in this brief.

Many prominent individuals, both French and English speaking, associated with the League on its committees or Council, have also especially requested me to lay their views before this Committee. I have some thirty of these, and as they all stress the same essential points, I shall simply read a statement from the Honourable N. W. Rowell, K.C., one of the original members of the League, which I think sums up the views of all the others:—

I was a supporter of the Canadian Radio League in the representations it made to the Parliamentary Committee four years ago in favour of national ownership and control of radio broadcasting in Canada. I am still firmly convinced that such national

ownership and control is most important in the national interest. I sincerely trust the proposed legislation will not interfere with or impair full national control, and that the Parliamentary Committee considering such modifications as experience may show, to be necessary, will keep in view the principles of the Aird Report.

If any members of the Committee wish me to read from the other letters I have mentioned, I will be pleased to do so.

By Mr. Bertrand:

Q. They are to the same effect?—A. They are to the same effect, substantially.

By Mr. McIntosh:

Q. And you selected, or the League selected, this statement from the Hon. N. W. Rowell?—A. Yes, it was selected because it seemed to sum up in a concise way what the others had said, but if you wish sir, I will read from the other letters.

Mr. MCINTOSH: No, it is not necessary.

By Mr. Bertrand:

Q. At the bottom of page 2 you say that the Honourable Mr. Rowell was speaking for himself?—A. I meant there, sir, that he was speaking for both himself and Sir Robert Borden. They made a joint submission at that time.

By Mr. Ryan:

Q. When was that?—A. That was in 1932. Sir Robert authorized Mr. Rowell to speak for him.

By Mr. McIntosh:

Q. On page 5 he is speaking for more than himself and Sir Robert Borden, is he not?—A. No. Inasmuch as his statement is similar to the others—

By the Chairman:

Q. He is speaking as a member of the Radio League?—A. Yes, he is.

By Mr. Martin:

Q. This letter is typical of a number that you have received?—A. That is what I mean to say. Have I made myself clear on that point?

The CHAIRMAN: Yes, I think so.

Mr. BERTRAND: Mr. Chairman, is it your intention that we should wait until the witness is finished with the brief before we ask any questions?

The CHAIRMAN: I am in the hands of the committee, but I believe we can facilitate matters if we allow Mr. Plaunt to read the essential parts of the brief. We have in condensed form the proposals of the Canadian Radio League for the organization of broadcasting in Canada, and I think that outlines practically what is in the brief.

The WITNESS: Yes, sir. My intention, sir, was that the members of the committee could make notes as I read through, and we would be very glad to answer questions afterwards.

The CHAIRMAN: All right, proceed.

The WITNESS: On page 5 is a statement from Sir John Aird. Sir John Aird, as everyone on this committee knows, was the chairman of the Aird Commission which brought in a report in 1929.

Page 6 contains the second section of the brief:—

11. CONSIDERATIONS INVOLVED IN A REORGANIZATION

(A) *Considerations of Principle Basic Conditions of Canadian Broadcasting.*

We do not believe that the principle of a public system can be at issue at the present time. The alternatives to public ownership and control—private ownership with licence fee subsidies, commission control without ownership, competing public and private chains, private monopoly—have been rejected as impracticable or undesirable and the basic conditions of Canadian broadcasting remain essentially the same. They are, firstly, Canadian radio is a natural monopoly; secondly, advertising, by its own admission, provides neither the revenue nor the motive for Canadian coverage or program service, and thirdly, unless deliberate steps are taken aggressively to establish public ownership of a trans-Canada network, it will only be a matter of time before the Canadian air will be but the advertising satellite of the great American chains.

Those three points are illustrated in some detail:—

- (1) *Radio a Natural Monopoly.*
- (2) *Advertising Insufficient Basis of Finance.*
- (3) *Influence of United States Advertising Chains.*

I shall skip on to part B:—

(B) *Considerations of Method—Comments on Radio Commission.*

There is no doubt that the organization set up under the Broadcasting Act of 1932 contained serious weaknesses from the outset and that the inadequacy of the Commission in carrying out the scheme proposed in 1932 was largely due to a faulty set-up.

As experience in Great Britain and elsewhere has shown and as the Aird Report indicated, the conditions of successful public service broadcasting are expert management, free from partisan or community interference, together with ultimate parliamentary control over major, as distinct from day-to-day, policy. The Commission has not fulfilled all of these requirements. A commission of three required both to formulate and execute policy is obviously an unworkable arrangement. Instead of unified, expert management, there has been divided, inexpert, management. There have been, in fact, three general managers instead of one—a situation no major business could long survive. The results have been, as might be expected, a lack of departmentalization and an unsatisfactory performance in certain departments.

Our comments on the Commission's work fall into four main categories. But I shall only touch on the wire arrangements because I think they are especially important:

Wire Arrangements.—The Commission's present wire contract is with the Canadian National and Canadian Pacific Telegraph Companies, which pool their trans-Canada networks for this purpose. The service involved is for six continuous hours between 6.00 p.m. and 12.00 midnight, time outside this period being bought at ordinary commercial rates. The cost of this service is, so far as can be determined, approximately \$375,000 per annum.

[Mr. Alan B. Plaunt.]

The intention of the Aird Report and of the Parliamentary Committee of 1932 was undoubtedly that the Commission should be in a position to sublet, at rates below those commercially obtainable, any part of the contracted period not being utilized for commission programs, to high-class national sponsors. In this way the triple purpose could be served of increasing the number of good national programs, providing the Commission with a subsidiary source of revenue, and introducing the valuable element of "private enterprise and competition in programs. For example, if an hour's wires could be offered to the Imperial Oil, Neilson's, or any other of our former national sponsors, at, say \$800 instead of the commercial rate, of, say \$1,200, they could undoubtedly be induced to go on the air again with the high-class programs they formerly put on.

This, however, the Commission has been precluded from doing by its failure to obtain such a subletting privilege in its wire contract. By the present arrangement it is obliged to charge such advertising sponsors the full commercial rate and to rebate the full amount received to the three wire companies to certain agreed proportions.

It is also submitted that the cost of the wire service now being supplied is exorbitant and that a twelve or sixteen hour service could be obtained at a rate not greatly exceeding the present one, with the privilege of subletting to commercial sponsors of national network programs."

I shall skip over page 9. Page 10 deals with:—

III. A PLAN OF REORGANIZATION

(A) *Basic Principle Reaffirmed:*

The first essential of a reorganization is an unequivocal reaffirmation of undivided control and an ultimate public monopoly of the high-power chain stations as the necessary principle upon which Canadian radio should be established.

By this we do not mean that the public corporation should envisage the ultimate or immediate ownership of all broadcasting stations in Canada. It is a matter of secondary importance whether or not the supplementary local stations are privately or publicly owned. Indeed, there is much to be said in favour of the private ownership of small local stations. But we do insist that the ultimate ownership of the high-power chain stations is essential to Canada.

(B) *Details of a Reorganization.*

The general considerations to be borne in mind in a revision of the set-up presently embodied by the Canadian Radio Commission have been touched on. They are:

(i) That broadcasting is a special medium not susceptible of ordinary types of public control and that a public corporation which combines the greatest possible degree of flexibility and absence of interference in management, with clearly defined parliamentary control of major policy, is best suited to its character and needs.

(ii) That it is important to establish a "buffer" in the form of a board to protect the executive of such a corporation from community or partisan pressure, such a board accepting the immediate responsibility for the policies of the corporation.

(iii) That broadcasting, like any other business, can only be efficiently conducted by a single chief executive charged with full responsibility for operation.

In carrying out a reorganization along these lines certain considerations should be borne in mind. They relate to the setting up of a public corporation, the principle policies which that corporation should adopt, technical considerations and methods of finance.

1. *The Corporation.*

(a) *The Board.*—The Board of Governors or Directors of such a corporation should be conceived as the guarantee to the public that broadcasting was being administered in a business-like and non-partisan fashion—the “trustees of the national interest in broadcasting”—to use the phrase by which the governors of the British Broadcasting Corporation are officially described. Its members should therefore be persons of recognized integrity and general, as distinct from technical, qualifications.

By Mr. Martin:

Q. Do you suggest the number?—A. Yes.

The brief continues:—

Method of Appointment. To establish the public confidence essential to such a board, its members should if possible be appointed by the Governor in Council, after consultation with the leaders of the other principal parties.”

That is the practice in England in an informal way.

It is suggested that a board of nine would best fulfil Canadian requirements, such Board being broadly representative of the five main geographical divisions of Canada and of the Dominion as a whole. It should include three representatives of French-speaking Canada. A board of nine would permit of an executive sub-committee of four, a better number in practice than three. The members of the sub-committee should reside in or near Montreal, Ottawa or Toronto.

By Mr. Bertrand:

Q. What about Vancouver?—A. I was referring to the sub-committee, sir.

Obviously if you have a representative board you would have to have a small committee to act between meetings.

Tenure of Board. The members of the board should be appointed for three years, provided that of the board first appointed one-third shall be appointed to retire in three years, one-third in four years, and one-third in five years. In this way both continuity and the permanence necessary to attract the desired persons would be assured. We believe it would be impossible to secure the services of citizens of the calibre desired unless a fixed tenure in which to make a constructive contribution were assured.

Remuneration.—The members of the board should receive only travelling and out-of-pocket expenses, and a director's fee of say twenty-five or fifty dollars for each meeting, with a maximum of \$500 per year. The Chairman should spend sufficient time on the work of the board to justify an honorarium of \$1,500 per year, and the other members of the executive committee \$1,000 per year.

[Mr. Alan B. Plaunt.]

(b) *Method of Relating Corporation to Parliament.*—The present Commission reports to Parliament through the Minister of Marine who acts as the spokesman of the Commission on the floor of the House. It is obvious that a public corporation would be related to Parliament in a similar fashion.

(c) *Appointment of Best Available Executive as General Manager.*—One of the main functions of the board should be to appoint, subject to the approval of the Governor in Council, and fix the salary of the best available broadcasting executive to act as general manager. Properly speaking, such an appointment should be made by the board, not by the government, and his salary should be fixed by the board, to whom Parliament had delegated that responsibility, and not by Parliament itself. The general manager should be responsible to the board for the operation of the corporation. He should have the power, subject to the approval of the board, to hire and fire. As in the British Broadcasting Corporation, he should not be subject to the provisions of the Civil Service Act, for obvious reasons of flexibility.

(d) *Method of Ensuring Local and Provincial Co-operation.* Provincial interests and aspirations can best be reflected through provincial advisory committees working in conjunction with the regional or provincial program officials of the national organization. These committees should be broadly representative of the cultural interests in the province. It is suggested that they might be appointed by the national Board from a panel submitted by the provincial prime minister, after consultation with the leaders of the main provincial parties.

2. Principal Policies of the Corporation.

(a) *Program Policy.* As indicated above, we believe the Corporation, until such time as it has further revenues at its disposal, should concentrate on programs of quality rather than quantity, and should encourage over its national network relays from the United States, Great Britain and elsewhere, and high-class commercial items.

(b) *Policy with Regard to Political Broadcasting.* The experience of the last general election shows the urgent necessity of defining the position as regards political broadcasting. Obviously, ability to pay is unfair as the sole criterion of dividing time on the air during an election. It is submitted that the practice in Great Britain and recommended in the Aird Report, might well be followed. In Great Britain no charge is made for political broadcasting, but the time allotted to each party is limited by an arrangement between them.

The CHAIRMAN: The parties agree a great deal more than they do here.

WITNESS: Page 13:—

(c) *Policy re National and Local Advertising.* The policy with regard to national advertising should be to encourage the trans-Canada broadcasting over the Corporation's chain of high-class commercial items, by offering a lower wire rate than that commercially obtainable. The policy with regard to local advertising should be that of fair competition in securing local advertising contracts of a high class variety, possibly with some tribunal named to penalize rate-cutting.

(d) *Wire Policy.* The wire policy which we consider desirable has been indicated by implication above. The Corporation should contract for a continuous twelve or sixteen hour service at a figure not greatly

exceeding the present one, with the right to sublet to commercial sponsors and retain the revenue thus secured. The policy towards commercial sponsors should be encouraged by quoting a lower rate than that commercially obtainable, trans-Canada or partial trans-Canada programs. As there are virtually none of these at the present time, the wire companies should have no valid objection to such a policy.

3. *Technical Scheme.*

As we have tried to show, the basis upon which the new organization must proceed is the ultimate ownership of the national chain stations. While we appreciate to the full the financial difficulties of the present time, we believe it essential that "the recognizable nucleus" of such a chain be built up as soon as is at all possible.

The first task of the Corporation, however, should be a survey of broadcasting conditions throughout Canada, in order to devise a definite plan of co-ordination and construction for the next five years. Until the new Corporation is formed and has the opportunity for such a survey, it is of the utmost importance that no increases of power or allocation of channels be permitted.

4. *Finance.*

Present Position. The question of finance is, of course, all-important. The \$2 licence fee produces sufficient net revenue (approximately \$1,500,000) for tolerably satisfactory operation, but not an adequate extension of physical facilities. To take care of any construction or co-ordination which the Corporation, after conducting a survey, deemed immediately desirable, it is suggested that either the money be provided through a loan which the Corporation could make provision to fund over a twenty-year period, or that it be voted from a public works appropriation. Such a public work would surely be in the best long-run interests of the nation.

As the new organization was able to popularize itself with the listening public, it would be possible to raise the licence fee to three dollars, as recommended by the Aird Report and advocated by the Trades and Labour Congress. With the revenues thus available, the whole network could be operated and extended yearly.

Methods of Finance.—The Licence Fee Principle. It is obvious that the licence fee system must remain the primary method of financing Canadian broadcasting. Proposals to substitute a tax on tubes from time to time have been suggested as an alternative to the licence fee, and each time rejected as impracticable. Such a method of finance would be extremely difficult of collection.

By Mr. Martin:

Q. Do you know if that practice in connection with taxing tubes is adopted in any other country?—A. I do not believe so.

Such a method of finance would be extremely difficult of collection and unreliable inasmuch as the life of tubes varies greatly and developments are constantly taking place with a view to extending their utility.

Additional Sources of Revenue.—If the proposals for subletting space on the national network were adopted, an additional source of revenue would be found. It is suggested also that to aid the new broadcasting authority the Government might well absorb the \$225,000 presently charged for interference service.

[Mr. Alan B. Plaunt.]

Direct Payment of Licence Fee Revenue.—The Act setting up the Corporation should provide that all licence fees and other revenue of the Corporation (less costs of collection) should be paid direct to the Corporation, without a special vote each year.

The present practice necessitates Parliament's voting the money out of the Consolidated Revenue Fund, which creates the notion in Parliament and the country that public funds are being devoted to broadcasting, when such is not the case.

IV. Its Importance to Canada

With the basic principle firmly established, with a Board of representative citizens commanding the confidence and respect of all parties and all sections of the community, with a broadcasting expert of wide experience, with revenues growing as public enthusiasm develops, and with a clear-cut technical scheme to work towards, Canada could look forward with confidence to the future of this great utility, to this instrument of such paramount importance in the development of her unity, the entertainment and enlightenment of her people and the protection of her commerce.

Even from an immediate dollars-and-cents point of view, the extension of public service broadcasting would repay the money it requires a thousandfold. From a tourist and trade point of view, distinctive Canadian programs would be of the greatest value in quickening American and British interest in Canada. Indeed, if we could, as a result of relaying good radio broadcasting throughout the United States, increase our tourist traffic by two per cent a year, it would pay us to invest several million dollars a year on that account alone. If we could further increase the sale of Canadian goods abroad, especially in conjunction with the present Government's goodwill policy in matters of trade, the same would be equally true.

From a long-term point of view the advantages are so obvious as scarcely to require repetition. With a national chain and national control, Canada's destiny is in her own hands, the integrity of her twin cultures can be preserved and sustained, and whatever she has of distinctive value contributed to the world. Without it, our dream of a united nation "from the sea even unto the sea," is meaningless and cannot be realized. A national broadcasting system is as important to the continued existence of Canada as an independent nation in the twentieth century as transcontinental railways were to its inception in the nineteenth.

By Mr. Bertrand:

Q. Mr. Plaunt, how many members have you in this Radio League?—A. The Radio League, sir, is primarily a clearing house of organizations. We have various public organizations. Secondly, we have a national council.

Q. A national what?—A. Council; a council of certain prominent citizens. Then we have our executive committee.

By Mr. McIntosh:

Q. You have many bodies affiliated with your organization?—A. We are primarily a clearing house.

Q. Can you give us an estimate of your membership throughout Canada?—A. Well, it was estimated at one time as 40,000,000.

Q. How many?—A. 40,000,000.

Q. Not in Canada?—A. That seems exaggerated.

By Mr. McIntosh:

Q. Our population must have gone up since the new government came into power.—A. That was just a joke, sir.

Hon. Mr. CAHAN: I would suggest in reprinting this—as I understand it will be reprinted—they might note on the side where each page of this begins, so that when we wish to refer to it again we will know where the page begins on the printed report to which we are referring.

The CHAIRMAN: That will be done.

Mr. BERTRAND: Have you answered Mr. McIntosh's question?

The CHAIRMAN: The question was asked as to how many members there were.

By Mr. Campbell:

Q. About how many members would be affected by your society?—A. I could give you an idea.

Mr. BERTRAND: 40,000,000 was a joke. We would like to know what the correct answer is.

WITNESS: The principle popular organizations that are associated with us are the Canadian Legion of the British Empire Service League which has 120,000 members; the Trades and Labour Congress of Canada, whose present membership is roughly 150,000. I believe that is a conservative estimate.

By Hon. Mr. Cahan:

Q. Can you count their membership in your Radio League?—A. Well, no; we do not.

Q. I might just as well go to some of the churches and ask them to endorse one system or the other, and then take all the church members as members of your league?—A. Not at all.

Mr. CLAXTON: If I may say so, that is the way that figure of 40,000,000 was arrived at. It was not quite as preposterous as it seemed. It just meant that these various organizations which co-operate in making these representations added up the total membership at one time of 40,000,000.

Hon. Mr. CAHAN: It would simply mean that every person in Canada would be included four times in your association?

Mr. CLAXTON: Quite.

By Mr. McIntosh:

Q. The result would indicate that the computation is not very satisfactory?—A. We do not admit any such computation. We are primarily, as I say, a clearing house of organizations. Those organizations which have been associated with us have all passed resolutions favouring the main principles for which we stand; and those resolutions have been discussed by the locals, the full membership of our affiliated organizations.

Q. That was a point that was bothering me. I was just wondering, when those resolutions were passed, just how many were effective in passing them, whether it was the membership in toto?—A. Yes, quite.

Q. Whether it was the membership of the organization that really discussed and settled the result, or whether it was a few men?—A. No, it was not. The Trades and Labour Congress, for example, has taken an interest in broadcasting since 1928. Their policy with regard to broadcasting is discussed at their annual convention; it has been discussed by their locals. The same is true of the other organizations.

[Mr. Alan B. Plaunt.]

By Mr. Ryan:

Q. Do you know, as a matter of fact, what the actual membership of the Radio League is?

Mr. McINTOSH: That is a question I was wanting to have answered, the actual membership of the League throughout Canada.

WITNESS: It is impossible to determine.

Mr. CLAXTON: If you mean in the sense of paid-up annual membership, it has none. It never has had any. It was brought into existence in 1930 for the purpose of developing interest in national broadcasting, and it has been kept alive or been continued in existence since just for that purpose.

Mr. McINTOSH: You have no paid-up membership. Then you cannot give us the figure. Could you give a fair approximation of the figure of your membership, paid-up and otherwise.

The CHAIRMAN: Might I offer a suggestion, Mr. McIntosh? The Radio League, as Mr. Plaunt has said, is a clearing house of several organizations, for the views of those organizations on radio broadcasting. Would it facilitate the work of the committee if Mr. Plaunt could give us the names of the organizations which are affiliated with the Radio League, which is a clearing house? Would that be satisfactory?

Mr. McINTOSH: It is in the brief, and I think he has mentioned it.

Mr. CAMPBELL: They are not all in the brief.

WITNESS: They are not all in the brief; just the ones that are definitely affiliated or were definitely associated and which contributed to our financing.

By Hon. Mr. Cahan:

Q. Might I ask definitely how many individuals are associated with you young gentlemen in what you call your clearing house? Because I can see that the views of these organizations may be colored very considerably after they pass through your hands and are condensed for presentation to this committee.—A. Could I, in answer to that, read from some of these statements that were included in our appendix today, because they are statements which we have been asked to present on behalf of certain organizations which are associated with the League, and therefore are not colored by passing through our hands.

Q. They are partisan. If the committee will allow me for one moment to call attention to one or two of your statements, I would like to ascertain exactly what your meaning is. For instance, at the bottom of page 7 you say, "As experience in Great Britain and elsewhere has shown and as the Aird report indicated, the conditions of successful public service broadcasting are expert management...." I agree with that. Then you say, "...free from partisan or community interference." As a matter of fact, during the past four years, in my capacity as a minister of the Crown, I have listened to reports coming in from the communities between the Atlantic and the Pacific; and the chief cause of complaint that came in that way to the government, or a committee of the government, was the dual use of the two languages, English and French. As a matter of fact, protests from western Canada against French programs through Transcontinental networks were continuous. The people of the west protested that they did not wish to listen to a language that they did not understand. On the other hand, I just happened to be spending some time in the Maritime provinces on a holiday; where the French language is well understood. I think there is more complete sympathy between the Maritime provinces and Quebec than between any other parts of Canada. Yet even there I heard nothing but continual protests against Quebec programs in French taking up the air to the exclusion of English. In rural communities in Quebec I have often heard pro-

tests against English language monopolizing the air in Quebec to the extent that it did. Now you state that the organization and constitution of this board which you suggest will be free from partisan or community interference. So far as being free from any partisan interference is concerned, I have never heard of any partisan interference. But if the community interference covers the question of language and the broadcasting of the two languages, I ask you how any board is going to overcome that difficulty?—A. What I said there, sir, was that freedom from partisan or community interference was a condition of successful public service broadcasting.

Q. I do not understand what that means?—A. May I explain?

Q. I have known of no partisan interference.—A. May I explain? The instance you have mentioned of French speaking broadcasting—

Q. And English speaking as well?—A. Quite; and English speaking as well. Surely that is not a matter of community interference at all. It is simply a matter of the broadcasting board using its judgment in view of the dual language problem in Canada.

Q. I differ from that, because I am dealing with the English speaking communities as a community and the French speaking communities as a community?—A. Oh, yes.

Q. And in that sense I ask you how this board can better resolve that problem than the present commission?—A. I do not say that it necessarily can, sir, except that a larger board would be more widely representative.

Q. Quite so; and being more widely representative, there would be more differences of opinion among its members?—A. I mean, it is quite possible, sir, that if there had been a western member on the commission, the difficulties over the broadcasting of French speaking programs at that time would not have arisen.

Q. You cannot convince with that platitude. The feeling with regard to language is so strong in this country, there are such strong divisions of opinion, that the mere placing of a French speaking member—

Mr. BERTRAND: I do not think it is as strong as you make out.

Hon. Mr. CAHAN: I beg your pardon?

Mr. BERTRAND: I say I do not think it is as strong as you make out; except that some people among the French who would like to have perhaps more than their share, express their views very strongly; and a lot of people among the English who do not want any French on the air express their views very strongly. There is a large number of people amongst the English and the French who understand the question, and who are ready to make a fair arrangement.

Hon. Mr. CAHAN: I am dealing now with the reports that have come to my knowledge.

Mr. BERTRAND: There are people who protest, but there are lots of people who do not protest. They are satisfied. They are, generally, better informed people than the others.

Hon. Mr. CAHAN: I suggest that these protests, either by one community or the other, are very large in number.

The CHAIRMAN: If I might offer a remark here, Mr. Cahan, as Chairman of this Radio Committee naturally any of the protests, or the large percentage of the protests come to me.

Hon. Mr. CAHAN: I am not dealing with this committee. I am dealing with protests I have heard in the past five years.

The CHAIRMAN: I know. But when this Radio Committee is sitting, most of the protests come to me; or they would come to other members and then be referred to me.

[Mr. Alan B. Plaunt.]

Hon. Mr. CAHAN: Yes.

The CHAIRMAN: The number of protests that I have received in regard to that question since I have been chairman of this committee has been very small. I might also add this, Mr. Cahan, that I think the objection you have just mentioned is lessening every day. I have lived in the west for fifty years where the population is predominantly English speaking. I can assure you that animosity is diminishing very rapidly. That is my experience.

Hon. Mr. CAHAN: I am not talking about animosity at all. I am dealing with this particular section, and the witness has given me his answer. That is one thing. Then on page 10, (B) "details of a reorganization", the second paragraph says, "That it is important to establish a 'buffer' in the form of a board to protect the executive of such a corporation from community or partisan pressure." That is another reference to the same difficulty. Can you give me any light as to how or by what means a board such as you suggest would form a buffer to protect against this very strong difference of opinion which has prevailed?

Mr. BERTRAND: What page is that?

Mr. MARTIN: Page 10, (B), sub-section 2.

By the Chairman:

Q. Can you give any explanation in regard to that?—A. Yes.

Q. Go ahead. And would you speak just a shade louder?—A. Certainly. Mr. Cahan, I do not mean that such a board should not reflect the views and even the prejudices of the community. I think it is most desirable that we should have a representative board which can reflect the views of Canada as a whole. But what I do mean is this, by way of illustration: Suppose a small town in Saskatchewan or a community in Saskatchewan wishes to have its band put on the air. It goes to the general manager, or asks its member to go to the general manager. The general manager, considering it undesirable or wishing to defer consideration, says that it is a matter for his board. The same would apply to appointments.

Hon. Mr. CAHAN: I do not wish you to understand that I am expressing my own prejudices.

The CHAIRMAN: I know that.

Hon. Mr. CAHAN: As a matter of fact, in the course of my reading in a year I read and enjoy more French literature than I do English. But I am simply reflecting what I have heard for five years. Nothing gave the late government more embarrassment.

Mr. BERTRAND: Short waves will, in the course of time, settle this question, I understand.

Hon. Mr. CAHAN: Nothing gave the late government more embarrassment and anxiety.

By Mr. Bertrand:

Q. Your league is strongly in favour of nationalizing all stations?—A. No; not all.

Q. All the high-powered stations?—A. The key stations.

Q. The key stations?—A. Yes.

Q. What consideration have you given to the American system which, after all, I understand is the best system in the world? The United States has private ownership of stations only. They have not national stations. They have a commission, but only private stations and it is a country where radio is most advanced.—A. Of course, that is a matter of opinion.

Q. I beg your pardon?—A. That is a matter of opinion.

Q. Do you not admit that the United States are more advanced in radio than any other country in the world?—A. Well, it is a matter of opinion. I mean, one person would say the United States and another would say Great Britain. I personally am critical.

Q. I want to know if you as a member of the Radio League have studied the American system?—A. Oh, certainly.

Q. To what extent?—A. I do not quite understand you, sir. I understand the general set-up. I have been through the N.B.C. and the Columbia studios and that sort of thing.

Q. Do you mean that in Great Britain or any other country in the world where they have nationally owned stations they have better programs and better machinery than they have in United States?—A. Mr. Claxton is more familiar with the actual physical set up in Great Britain.

Mr. HANSON: That is a matter of opinion.

WITNESS: May I say at this point, Mr. Bertrand, leaving aside the question of whether the American system is better than the English system—

Mr. BERTRAND: Than the British system, you mean?

WITNESS: Yes, than the British system, the considerations that apply to those respective systems do not operate in Canada. The American system is successful because it has enormous revenue at its disposal. It has got an advertising market of 110 million people. Canadian advertising has no such market, and therefore is not in the same financial position. I mean, even approaching the problem from the financial standpoint, advertising does not provide the revenue in Canada.

Mr. BERTRAND: I do not want to leave the impression that I am anti-British. But I know one thing, if the privately-owned stations had had their way in Canada, instead of having to hear Mexico we could hear Montreal; because some of the stations in Montreal wanted to establish a high-power station of 50,000 watts a few years ago. They were refused, by the commission, permission to establish such a station.

By Mr. Edwards:

Q. Was that not in the Aird report? Did they not require that those high-watt stations be at certain strategic points in Canada, one in the Maritimes, one in Quebec, one in Ontario, and so on?—A. That is right.

Q. They are reserving that right for a national ownership scheme, entirely by the Radio Commission?—A. That is right.

Mr. BERTRAND: Yes. But they did not do it.

Mr. EDWARDS: On account of lack of money.

Mr. BERTRAND: But a private station would have been able to do it. It is all right to keep this within the limits of nationalization; but if we are going to suffer because the government is not ready to do it we had better leave it to private interests.

WITNESS: The thing, as I see it, is this: We have in Canada six clear channels. Actually we use eight, I understand. But there are six authorized by the agreement which Mr. Herridge drew up in Washington in 1932. The question is: Are those to be used for national purposes or are they not? The tendency of advertising is to tie up with the American chains.

By Mr. Campbell:

Q. That is on account of the larger number of people listening?—A. Yes. You take the situation at the present time; three of our best wave lengths belong to stations which are Canadian outlets of the American chains.

[Mr. Alan B. Plaunt.]

By Mr. Bertrand:

Q. Which stations do you mean?—A. La Presse, Montreal; CFRB, Toronto; the station in Windsor, I cannot give you the letters.

Mr. MARTIN: CKLW.

WITNESS: And of course CRCT also handles a lot, but that is commission leased; and a station in Montreal which operates on a shared channel.

By Mr. Martin:

Q. How many shared channels are there?—A. The actual number of shared channels authorized by the Herridge agreement is eight, I am informed. Actually we use more than that.

Hon. Mr. CAHAN: There is one other point I should like to ask about, and that is on page 14.

Mr. McINTOSH: Before we leave this, I wonder if I might ask a question, Mr. Cahan.

Hon. Mr. CAHAN: Yes.

By Mr. McIntosh:

Q. How do you get your membership of nine on this board? Where do you intend they come from; from what sections of Canada? How does it work out?—A. We suggested nine. That is the result of a great many discussions over a period of years.

Q. How do you arrive at that figure?—A. May I explain that?

Q. Yes.—A. We take the five main geographical divisions of Canada for broadcasting purposes; that is, the Maritimes, Quebec, Ontario, the West, and B.C. Those are the five broadcasting districts, the five economic regions of Canada. We think that a board should represent, in a general way, those main districts, those five. But as the largest part of the population in Canada is concentrated in Ontario and Quebec, we think they should have two additional representatives.

Q. Would that be two each?—A. That would make three each altogether; one each by virtue of being one of the five divisions; and then two in addition to that.

Q. That would be six between the two provinces?—A. Six between the two provinces.

Q. And you would have three left for the rest of Canada?—A. Yes. You see, you have got two or three circumstances that make a decision very difficult. You have got (1) French-speaking representation, which is all-important; you have got (2) the necessity of an executive sub-committee. Obviously a board whose members live in all parts of Canada cannot meet at short notice; so that you have to have your board living within access of the centre in which your broadcasting organization is situated. Do I make myself clear?

Q. I understand what you mean. That certainly does not work out in other spheres of activity nationally speaking to that extent?—A. It is partly a practical consideration. I do not suggest that we should make any—

Q. Hard and fast settlement are rule. Is it just a problematical figure?—A. No. It is a definite figure as far as we are concerned.

Q. As far as you are concerned, it is a definite conclusion?—A. Well, I mean these things are always open to discussion.

Q. It will have to be settled by the government in the final analysis?—A. We are not deciding the government's policy. It is merely a suggestion.

Q. I see.—A. But we have arrived at that conclusion.

Q. I think it is entirely out of line, or out of proportion?—A. May I say that we visualize this board as a national board and not as a board representing sections of Canada. It primarily should be regarded as the trustee of the

national interest in broadcasting. But from the practical point of view you must consider the regions of Canada, and from the practical point of view it is most desirable that you consider the French speaking representation.

By Mr. Ryan:

Q. If Mr. Cahan does not mind, and if we have exhausted the recommendation on this particular phase, I was going to ask the witness if it is a fact that in Great Britain the government takes recommendations from the different parties as to who the personnel of the board shall be?—A. It is purely an informal arrangement.

Q. Do you know, as a matter of fact, that that arrangement does take place?—A. I understand so.

Q. Do you not think that the government of the day must assume the responsibility for that?—A. That is constitutionally true, but we wish to emphasize the desirability and the utter importance that the board be not even suspected of partisanship.

By Mr. McIntosh:

Q. You are looking at the continuity of the board, and its efficiency to a large degree?—A. Yes.

By Mr. Ryan:

Q. You are not forgetting human nature, are you?—A. We are trying not to.

By Hon. Mr. Cahan:

Q. Will you refer to page 14, under the heading of "Direct Payment of Licence Fee Revenue." Assuming it to be an undoubted fact that the \$2.00 licence fee which you propose to raise to \$3.00 is a government tax and collected only by the authority of the Parliament of Canada, and that you further propose that \$225,000.00 a year in addition be voted by the Parliament of Canada to cover the charges of interference service; how, under these circumstances, can you expect to place this board, outside the authority of Parliament and beyond the supervision and direction of some department of the Government of Canada?—A. We do not suggest that it be placed outside the control of Parliament, Mr. Cahan. We suggest it should be responsible to Parliament.

Q. You say, "The present practice necessitates the Parliament's voting the money out of the Consolidated Revenue Fund, which creates the notion in Parliament and the country that public funds are being devoted to broadcasting, when such is not the case." I entirely disagree with you that such is the case. The whole suggestion is that you are to have a board which is independent of Governmental direction or control, and which will spend its money independent of the supervision which is given to all public expenditures of money?

Mr. Brooke Claxton called.

Mr. CLAXTON: Mr. Chairman, may I answer Mr. Cahan's question and perhaps deal a little more with the question of the constitution of the board because it is the principle subject in which the members appear to be interested, also a subject in respect of which I have given some thought.

By Hon. Mr. Cahan:

Q. You do not intend to answer my question?

[Mr. Brooke Claxton.]

Mr. CLAXTON: Yes, sir. In the first place, answering Mr. Cahan's question as best I can, there is no intention on the part of those submitting this brief that the broadcasting authority, the corporation or board—call it what you will—should in any sense be ultimately independent of parliament or the government. It cannot be, in the very nature of things. What is suggested is that the board be constituted not as the servant of the government, not as permanent employees of the government and responsible to a government department for day-to-day operation, but that they be constituted as trustees for a great national activity, in the same sense as, say, the trustees of the National Gallery, or, in the commercial sphere, the Canadian National Railways.

Q. But the trustees of the National Gallery have to report to the Minister?

—A. Quite. Mr. Chairman, in our submission, they would not only have to furnish an annual report, which would be subject to annual examination, but also I should think that any broadcasting authority would have to come before some committee of parliament and give an account of itself each year when either the estimates or its report or some other question came up which would give that opportunity. That is exactly what happens in Great Britain, and, Mr. Chairman, may I say this: that this general scheme which we now propose, and which we proposed in 1934 and in 1932, and as we started suggesting prior to 1932, is a scheme that has been operating with such very great success from the constitutional point of view in Great Britain. We do not copy it merely because it is British; we copy it because it has worked and it has worked admirably. So far as I know, no one in Great Britain or in any section of the community has ever suggested that the British Broadcasting Corporation be changed in its essential character. Everyone in England criticizes its programs. That is a sign that it is alive, but they do not suggest for a moment that broadcasting be turned back to any other form of governmental control.

By Mr. McIntosh:

Q. Is there complete responsibility between the board, or should there be complete responsibility between the board and the government, or should there not be? Is there complete responsibility or is there partial responsibility, which do you prefer and which exists?—A. Mr. Chairman, from the constitutional and legal point of view, of course, there must be responsibility, but this will largely depend on the attitude of the government of the day to the corporation. If the government of the day and Parliament takes the attitude that we have created a board of trustees and we have given these gentlemen the power and authority to run radio for a year, and that it is up to them to show what they can do, and we are not there to interfere with such questions as the location of a station or the making of regulations respecting advertising or whether such-and-such a program shall be French or English. That is their responsibility. They can take the blame and they can take the credit, but there will be no credit; there will be mostly blame.

By Hon. Mr. Cahan:

Q. That is the exact situation to-day. You have a commission who have to take the responsibility, but if you had sat in Parliament for the last three or four years you would appreciate the fact that the location of stations, the question of programs and other matters are matters in which members of Parliament have to intervene.

WITNESS: Well that may be an insuperable difficulty. But I suggest, Mr. Chairman, that to constitute a board such as we suggest, of seven or nine individuals who would be appointed and chosen by reason of their known independence of character and outlook, their known reputations, free as far as possible from any political affiliations and who would if possible be chosen after con-

sultation with the leaders of either party, men who would be acceptable, who would command respect—if they are put in the position of laying down in broad lines the general policy for the control and operation of radio in Canada, and if then the Governor in Council appointed a competent executive, I think the executive would feel far freer than the present commission to act in the sole interests of Canada to provide a good broadcasting service. We believe that with this board of nine, not salaried employees of the government, but men who would receive perhaps a slight honorarium, it would be possible for the executive to carry on far more freely than the present commission has done, reading between the lines of the evidence which has been given.

Hon. Mr. HOWE: I agree with Mr. Cahan. I think there is an attempt to make a minister responsible. In the past it has been found to be entirely unworkable. As the minister responsible, I say, go and run your own show, do not bother me, but keep within the limits of your authority; you are given so much money, do not spend any more and do not bother me. I think that is a reasonable attitude. If I am not running it, I have nothing to do with it. Here we find the commission getting mixed up in political difficulties and in a tangle with the Treasury and the minister is called on to act in matters over which he has absolutely no legal authority. It does not work, and I think you will find that whenever you set up a situation of that kind you drive a wedge in between the commission and the government. In other words, you have an anomalous situation, where the government is turning over money and has no responsibility for the spending of it, and is in the position of having to accept all the grief for everything that goes wrong.

Mr. McINTOSH: You think, Mr. Howe, that the highway of responsibility from the government to the commission and from the commission to the government must be clear and definite?

Hon. Mr. HOWE: I think so, yes.

Mr. WOODSWORTH: You said the commission has got mixed up in political matters, but do you think it would be less mixed up if it were under the control of the Minister?

Hon. Mr. HOWE: Yes, because a Minister is careful to see that he does not allow himself to get mixed up in politics.

Mr. McINTOSH: However if you did get mixed up in any trouble as a minister you, as a representative of the government, would be responsible to parliament and through parliament to the people.

Hon. Mr. HOWE: Absolutely.

Mr. MARTIN: You have a very strong case that Mr. Claxton has referred to in England where it does work.

Hon. Mr. HOWE: It works because Sir John Reith is willing to make himself so unpopular that the government does not talk to him and no one else talks to him, but there are few men who are willing to do that.

Hon. Mr. CAHAN: I thought those references were confusing and I wished to elicit from the witnesses their views as to the meaning and intent as to those paragraphs.

WITNESS: May I refer again to Mr. Howe's remarks. I should say that the early part of them completely establish the case for something other than the present system, whatever it is. I also say this—it is perhaps not clear from the brief, but I have it clearly in mind—that in respect of certain matters, the broadcasting authority or the board could only act with the approval of the Governor-in-Council, of course, on such questions as expropria-

[Mr. Brooke Claxton.]

tion of property, capital expenditures, contracts for a term of over five years, the appointment of the general manager, regulations affecting broadcasting in general, by-laws of the organization and any point on which the broadcasting authority came into conflict with private interests.

And I suggest that in respect of all those things the broadcasting authority should be subject to the control of the government through an Order-in-Council, of course, motivated by the Minister. But I suggest that the present organization is neither one thing or the other; that it is almost the worst set-up that could be conceived.

By Mr. McIntosh:

Q. Your proposition is practically half-way responsibility?—A. Yes, it is very similar to the British set-up. May I read, apropos of a comment that was just made, from the report of the Ullswater Committee of 1935, page 7 under the heading of "Constitution."

We are impressed, as were the members of earlier Committees, by the influence of broadcasting upon the mind and spirit of the nation, by the immense issues which are consequently involved, and by the urgent necessity in the national interest that the broadcasting service should at all times be conducted in the best possible manner and to the best advantage of the people. We feel that a great debt of gratitude is owed to the wisdom which founded the British Broadcasting Corporation in its present form, and to the prudence and idealism which have characterised its operations and enabled it to overcome the many difficulties which surround a novel and rapidly expanding public service. That the work of the B.B.C. has been widely approved may confidently be inferred from the remarkable absence of general criticism in the oral and written evidence which has been submitted to us.

On the next page they deal again with the question of the board and the method of control. They quote from the report of the Crawford Committee:—

It has been suggested in evidence that the Board should be composed of persons representing various interests, such as music, science, drama, education, finance, manufacturing, and so forth. We cannot accept this view, since compromise and even conflict might ensue owing to division of allegiance. On the contrary, we hold that the actual Commissioners should be persons of judgment and independence, free of commitments, and that they will inspire confidence by having no other interests to promote than those of the public service.

In the appointment of governors we trust that full attention will be paid to width and variety of outlook. It is well that there should be, within the Board of Governors, knowledge of men and affairs and experience both of public service and of financial and commercial matters. On the previous page they refer to the board as conceived as acting as trustee for the national interest. That is the conception of the board, and the main function of the board is, of course, to appoint a governor, or managing director, and then to lay down the general principles. And it is in fact responsible to the government through the Postmaster General, and through the Postmaster General to parliament. Debates have occurred on the subject of broadcasting in the British House far more frequently than they have in Canada. It does not divorce the broadcasting authority from Parliamentary control in any sense whatever. It merely means an understood thing that the control will be ultimate on general questions of broad policy rather than on the details of day to day administrations.

I am sure that Mr. Howe would greatly prefer to be freed from giving attention to the details to which he has referred, and that is what we conceive to be the purpose, and not only the hope but the reasonable expectation of this set-up; that the managing director or general manager will be sufficiently competent and experienced to run the thing as a business man should run the thing with freedom.

By Mr. Campbell:

Q. Do you not propose that he should be appointed by the board?—A. Subject to approval by the Governor in Council. On that question of approval by the Governor in Council, I think it is our submission, too, that if there is a board, if there is some new authority, that even though it should be subject to control by a Minister in much the same way as is a department of the government, the statute constituting this new authority should be so framed as to make it clear that the responsibility for taking the initiative, for making recommendations and making first moves should rest squarely on the shoulders of the new authority.

It is quite evident from the evidence submitted in the early sessions of this committee that this present commission is not fully—

By Mr. Hanson:

Q. Because they were not responsible to any minister?—A. Perhaps, but the statute never clearly indicated on whom the authority for making constructive suggestions fell, and the present commission, I should think, was quite justified in that. We would like, as I think the present commission would like, and as Mr. Charlesworth said in his opening statements, that that should be cleared up to show where the initiative for making constructive proposals and recommendations shall lie.

Mr. Chairman, there is one other point in respect of the constitution of the board which has been touched on here, and that is this: that whether the board be given full and independent authority or whether they be given—

Mr. HANSON: Let me express my views on this issue. I have followed broadcasting ever since it started in Canada, and I find that we had a commission set up which was responsible to no one. I am not throwing any slurs on the commission, but I am criticising the fact that they were responsible to no one. I think if we are going to create a new board or maintain the old board that it should be clearly understood that they are responsible to a minister and the minister is responsible to parliament and the people. If there is any criticism it should come before parliament from the different parties. If there is any criticism from the public they would then know where to go. As happened in the past, if there have been any complaints they have been sent to some department or the commission and matters have been shoved back and forth, which shows that they had no head. I am strongly in favour, if the government is going to continue to have anything to do with it, and I hope they will, that it will be handled by the Minister of Marine or any other minister who is responsible to parliament and the Canadian people.

The CHAIRMAN: I might interject here that as far as Mr. Claxton is concerned he has intimated the responsibility of the board to parliament and that the new board could come before this committee and the committee could get all the information necessary to determine where the responsibility rests. We have power under our reference to make an investigation of anything the board has done and to make a report to parliament.

Mr. HANSON: I know that, but if there is no responsible minister at the head of it, there is no use saying that parliament can do much, because, if I understand it correctly, he suggests that the board should have almost full authority in consultation with the Governor in Council. What I want is full responsibility by the minister.

[Mr. Brooke Claxton.]

The WITNESS: I do not want to be misunderstood in this, and I believe everyone who considers the matter will—

The CHAIRMAN: I think what the members of the committee are trying to find out is whether under this new set-up there would be no control by parliament. We do not know where we are at with the present system. Under your new set-up I think the view of the members is that there should be some governmental control. Now, can you tell the committee in a brief way how you can bring that about considering the suggestions which are contained in your brief?

Mr. McINTOSH: What do you mean by "some governmental control?" The word "some" is the point at issue.

The CHAIRMAN: I mean governmental control.

Mr. McINTOSH: "Some" does not mean complete governmental control.

WITNESS: Mr. Chairman, if a question arose where a member receives from his constituency a complaint that so and so has applied to the broadcasting authority for a position and his request had not even been answered and he raises that in the House by a question addressed to the Minister, or in any other way, I would suggest that the only proper way for that question to be answered so as to allow broadcasting to be carried on as a great public service in Canada would be for the Minister to say that that is a question which should be directed to the broadcasting authority; that we are not here in this House to discuss questions of the hiring and firing of stenographers or questions in connection with details of programs.

Mr. HANSON: I do not think any member of parliament is small enough to become involved in matters of that kind.

The CHAIRMAN: Mr. Claxton is just citing that as an illustration.

WITNESS: I know of no such incident, of course, and I do not wish to suggest that there ever will be. I sincerely trust there will not. But I think that illustrates where the line of division comes in between the questions to be discussed or settled.

By Mr. McIntosh:

Q. You mean there should be divided jurisdiction, do you not? That seems to be the tenure of your remarks.—A. No. Parliament, of course, is supreme, and parliament will control the ultimate policy. More immediately the corporation will be required to secure the approval by Order in Council of these various items of major importance which I have mentioned; but short of that I would suggest that the corporation, if it is to operate properly, should be given power to carry on its business as a business. It is primarily a business.

By the Chairman:

Q. Let me give you an illustration, Mr. Claxton: we had a representation from a member of parliament this morning about the radio reception in certain parts of Canada. According to his statement they are not able to get reception from the Canadian Radio Commission on account of other interferences. He comes along and makes a complaint to the Radio Commission, he receives no action or satisfaction from the Radio Commission and then as a member of parliament he goes to the minister on whom responsibility rests. The minister says, I cannot interfere; that is for the commission. How would you overcome that?—A. I would say in answer to that, Mr. Chairman, that if the minister is asked that question the minister cannot answer what is to be done to meet the criticism of the minister of his own knowledge. The minister is not an expert technician. He must consult somebody, and the proper authority on such a question is obviously the broadcasting authority.

Q. Then what does the broadcasting authority tell the member of parliament?—A. They would deal with that by saying, We have not got the money. Once they say that it becomes a question of general policy, and at the annual review of the broadcasting activities in the country that question should be brought up just as it has been to-day, and then you gentlemen should consider, is it not necessary that we, in giving the people of Canada a broadcasting service, should take account of that sort of thing, what is it going to cost, and so on. You ask competent authorities, and you decide whether it is worth while. It is a question of broad, general policy.

On that question I should think there are innumerable places in Canada which do not receive adequate coverage, and that the time has come when we suggest there should be a survey under the Department of Marine or the broadcasting engineers, or some one else to find out what the situation really is.

Mr. HANSON: I think the witness is taking up too much time giving us unnecessary information. If I, as a member of parliament, were dealing with a complaint from my constituency, I would like to be able to go to the minister responsible for that department and find what is wrong, as he would naturally consult this organization. We have responsible ministers, and if there was something wrong and I wrote to the minister and he having the necessary machinery there to find out about it and report to me, I would know that I went to the highest authority. That is done in every department.

Mr. WOODSWORTH: Mr. Chairman, does Mr. Claxton's proposed organization differ fundamentally from that which we now have in the National Railways?

Mr. McINTOSH: I was thinking along the same lines.

Mr. CAMPBELL: No.

Mr. WOODSWORTH: Does it differ? I know there is a little change proposed at the present time, and I do not want to go into that in a general way. Have we not had a board set up under some name or other, either a board of directors or trustees, that was responsible for all the details of the road? The minister did not, on his own, initiate a new branch line, or did not have anything to do with rolling stock, etc.; it was merely with general policy, and the details of the road were left to the Board. Now, is there any fundamental difference between your proposals and the arrangements with which we are familiar with regard to the railway?

WITNESS: In that respect, none at all, Mr. Woodsworth.

By Mr. Campbell:

Q. Does it differ in some other respects?—A. I have not followed in detail all the ramifications and changes in the authority regulating railways in Canada, so that I must qualify myself. But I would say the present bill before the House seems to be rather similar to the proposal that we make to you.

By the Chairman:

Q. The railway bill?—A. The railway bill, yes. It is bill No. 21.

By Mr. Ryan:

Q. There is a serious charge made here on page 8 of your brief in regard to wire arrangements. You state that the service involved is for six continuous hours between 6.00 p.m. and 12.00 midnight, and the cost of this service is approximately \$375,000.00 per annum. In the last paragraph on page eight you state that the cost of the wire service now being supplied is exorbitant and that a twelve or sixteen hour service could be obtained at a rate not greatly exceeding the present one, with the privilege of subletting to commercial sponsors of national network programs. I would like when you come back to give us some figures or facts to substantiate that charge.

[Mr. Brooke Claxton.]

Mr. CLAXTON: I know nothing whatever about that.

Mr. RYAN: Is there anybody coming before this committee who can give us any facts?

Mr. CHARLESWORTH: The facts are wrong.

Mr. RYAN: I am asking for the facts. A charge is made, and I think it is a serious charge.

The CHAIRMAN: What is the page?

Mr. RYAN: Page 8. The allegation is that this commission or the government, I do not know which, entered into a contract with the wire companies on the basis of \$375,000. You people say that you can get longer continuous service at a less rate, and that that contract made there was made for an exorbitant charge. We want to know if you have any facts to support that statement.

WITNESS: So far as the actual figure goes, that is purely approximate. I arrived at it from a perusal of the Commission's reports.

Mr. RYAN: If we come back, I think we ought to have some information on that.

WITNESS: On that actual detail I cannot say that that is the exact figure.

Mr. CAMPBELL: Look at the last paragraph.

By Mr. Ryan:

Q. The last paragraph says it is an exorbitant charge, and you could get better hours at a lower rate.—A. From investigation we have made, we have reached that conclusion.

By Mr. McIntosh:

Q. If that is right, and if it is an exorbitant rate or is it too much, then the government is losing?—A. May I explain it in this way: There are two bases upon which a wire network contract can be made, so far as the wire companies themselves are concerned. One of those bases might be called a pro rata basis; that is on the basis of so many hours, on the ordinary commercial basis. The other basis you might call a by-product basis; that is, broadcasting wires are strung over the ordinary telephone or telegraph facilities. They have no overhead. Do you see what I mean?

By Mr. Ryan:

Q. The telephone companies get paid proportionately for the services you have under this contract, do they not?—A. The telegraph companies have a contract.

Mr. CAMPBELL: No.

By Mr. Ryan:

Q. Yes, they are paid by the wire companies.—A. No.

Hon. Mr. HOWE: I think what the brief was trying to say is that the six-hour period is not an economic period from the point of view of the wire companies. That is, if we took twelve hours or sixteen hours, the rate would be considerably less. I think it is a matter of common consent that the wire companies would be very pleased to do that, and that if we do that, we could pay an hourly rate for sustaining programs that would be considerably less than the one that is being paid now. I think that is what it intends to say, or the substance of it.

Mr. CLAXTON: I might point out that the remark refers to the cost and not to the charge. We are not accusing the railways of charging an excessive price. They may be charging a perfectly fair price from their standpoint. But from the point of view of the broadcasting commission it seems to us that the cost is too high.

By Mr. Campbell:

Q. Better arrangements might be made?—A. Quite so.

The CHAIRMAN: We will meet here at four o'clock. Might I ask honourable members to be here promptly at four o'clock. Mr. Claxton wants to get away. Do you want Mr. Claxton again or will Mr. Plaunt do?

Mr. McINTOSH: I think there is one point Mr. Claxton should clear up on Mr. Woodsworth's statement, whether the present set-up for which he is asking is to a large degree not unlike the present Canadian National trustee board set-up. You said in your opinion it was very much the same.

Mr. CLAXTON: But rather more similar to the set-up proposed by Bill 21 before the House.

Mr. McINTOSH: That is what I was coming to. The present set-up of the Canadian National trustee board is apparently not satisfactory to the Canadian people or parliament and there is a move being made by the responsible minister to bring in new legislation. Then you admitted a little latter that it is something similar to the new bill. But it cannot be similar to both.

Mr. CLAXTON: No. I said from the point of view put by Mr. Woodsworth, that is from the point of view of going through the minister or going directly to the company; from that point of view the proposed radio authority would be similar to the C.N.R. controlled by its heads; but from the point of view of the constitution of the board, the new set-up proposed by Bill 21 pending before the house is quite similar to the set-up that we propose for radio in Canada.

Mr. McINTOSH: In that bill, Bill 21 before the House, complete responsibility between the minister and parliament, and between parliament and the people, is established. That is the pith of our whole discussion this morning.

Mr. CLAXTON: Well, it is because it is a question of emphasis, so much a question of emphasis.

Mr. McINTOSH: To my mind full responsibility ought to be clear.

Mr. CLAXTON: There must be responsibility, of course. That is obvious.

Mr. McINTOSH: If you admit complete ministerial control, in my opinion that should be acceptable, I think.

Mr. CLAXTON: It is a question of degree and how it works out from day to day.

Mr. McINTOSH: Not degree but rather all the way.

The CHAIRMAN: This conversation is not going into the record. Do not take this.

The committee adjourned at 1.05 p.m. to meet again at 4 p.m.

AFTERNOON SITTING

The Committee resumed at four o'clock, the Chairman, presiding.

The CHAIRMAN: The meeting will come to order. We still have Mr. Plaunt and Father St. Denis here who are ready to answer questions on the brief they presented this morning. If any members of the committee desire to ask any questions, kindly proceed to do so.

[Mr. Brooke Claxton.]

Mr. RYAN: Perhaps Father St. Denis has some suggestions to offer.

REVEREND FATHER H. ST. DENIS, called.

The CHAIRMAN: I think Father St. Denis would like to present his views in the form of question and answer.

Mr. McINTOSH: Perhaps Father St. Denis would like to comment on the trend of the debate this morning.

WITNESS: Before answering questions I have a very brief statement to make, which is to the effect that the Radio League has the backing of public opinion in French Canada, which is more concerned with radio as a national and educational affair than with radio as a commercial affair. This committee will probably have as witnesses mostly persons who are interested in radio as a private affair or radio on a business basis.

I believe there are very few bodies set up for the purpose of promoting government ownership of radio or radio as a public utility, and the purpose of the Radio League has been to collect endorsements from different bodies considering radio from the educational and national point of view, and most educational authorities, and I might say the religious authorities of French Canada, are behind the Radio League. We have very plain and forcible approval from the authorities such as the president of the university of Laval in Montreal and the ecclesiastical authorities, who have made it very clear that they wish radio to become more a national affair than a commercial affair. That is the whole point of view of the Radio League. We are not promoting any private interests. We consider that the educational aspect of radio will be best promoted by government control. We have cases of privately owned stations which are just relays of American stations, and radio has become so important to-day that there should be something done to promote the Canadian spirit and not to encourage the hook-up, as is done in the privately owned stations.

Statistics have been compiled to show that far too much time is devoted in privately owned stations to relaying American programs. I am not casting a slur on American broadcasts, but I think something should be done to ensure a Canadian atmosphere.

By Mr. McIntosh:

Q. Are you afraid of the American programs?—A. Not in general. Although in some cases they might be far superior to ours we cannot expect the Americans to form our national character, and there should be a board of responsible men who will fashion broadcasts, and that cannot be done by companies, newspapers, or whatever concerns are considering radio as a commercial enterprise.

Q. Continental and international opinions are very important, too?—A. Yes, and they can be very well broadcast by the government-owned radio system. We have seen in our programs of the Radio Commission weekly lectures of the League of Nations Society.

My sole purpose in speaking to-day is not to add anything to the statements made by Mr. Plaunt or Mr. Claxton this morning, but simply to tell you that the two millions of French Canadians are approving the system of a publicly owned radio broadcasting corporation, and the only organ that might express this opinion is the Radio League. I know of no other. Any other expression, coming from whatever quarter, would express simply the private interests of some organization. That is about all I have to say.

Q. Public ownership, operation and control is your objective?—A. Yes, and not to the extent of destroying privately owned stations.

By Mr. Martin:

Q. Have you copies of the resolutions passed by French-speaking societies about the use of the French language over the air?—A. In this regard perhaps it could have been said this morning, when that question was brought up, that some thought must be given to the five hundred thousand French-speaking Canadians outside of the province of Quebec who do appreciate hearing the French language on the programs now and again, and that it is conducive to a spirit of national unity that our dual character be fully realized by everyone in Canada; and I think Mr. Bertrand's remarks, too, that the protests should not be exaggerated were very just. Persons who are satisfied very seldom give vent to their satisfaction, but if there is a little irritation sometimes it is increased one hundred fold.

Q. Father St. Denis, speaking for the area I represent in western Ontario and particularly the Windsor district where there are so many French Canadians, one of the handicaps of that community has been that it has not received as many of the French programs as they would like to receive. Have you any suggestion to make as to how that might be effectuated to a greater degree?—A. I imagine that exchange programs would be one way of effecting that change. For example, the province of Quebec would ask for the broadcast of an English program of some kind, and the other parts of Canada would naturally think of asking the same service of the province of Quebec. Of course, there is a way of doing things, and perhaps clumsiness should be avoided in order not to antagonize anyone.

Q. Do you know anything about the work of Mr. Corbett in the West in the teaching of the French language to people who are not French speaking?—A. I know there are 6,000 listening to those weekly broadcasts by the University of Alberta, either on French or short talks in French, and those 6,000 people are far from objecting to the transmitting of French on the air occasionally.

The CHAIRMAN: Mr. Martin, I might inform you that Dr. Corbett was before the committee in 1934 and gave very valuable evidence on that point.

Mr. MARTIN: Thank you.

WITNESS: In this respect it might help our cause to inform the committee that we have the approval and backing of Mr. Corbett who is an expert in radio broadcasting.

Mr. MARTIN: I was discussing this morning with Mr. Edwards this very point, and it seemed to grip him as being one that deserved a good deal of attention, as a means possibly of promoting greater harmony between the two races. On the other hand there are some who do not want it. I was wondering if Father St. Denis had any suggestion to make to the committee as to how that could be done in Ontario, for instance.

Mr. PLAUNT: The program could be distributed in the Windsor area say from Montreal without being distributed in the rest of Ontario. That is technically possible.

Mr. McINTOSH: I think that is a very important point. Of course, if any person does not want a program he can turn it off. He does not need to make a great noise about it to his neighbours and carry it to the national capital.

When you are talking on this subject I would like to mention, Mr. Chairman, that we have a goodly number of French speaking people in the province of Saskatchewan. I have been in that province now for twenty-five years as a printer and publisher, and we have had only one upheaval of a racial or religious nature during the whole of that time, which was very regrettable. I think that upheaval is to a very large degree a thing of the past, and I believe harmonious relationships are slowly but surely developing. There is no doubt about it that

[Rev. Father H. St. Denis.]

the viewpoint of the best citizens of Saskatchewan is that the French-speaking people and the British-speaking people and all other nationalities should combine in a harmonious way to make a great province and a great Canada. I want to pay my tribute to the French-speaking people as colonizers and developers in not only my own riding in the northern part of the province but throughout the whole length and breadth of Saskatchewan, and I believe the viewpoint I am expressing here to-day is the viewpoint of the best portion of our practically one million people.

Mr. PLAUNT: May I mention, Mr. Martin, that Mr. Corbett has sent in a statement which I think deserves attention.

Mr. MARTIN: Is it before the committee now, Mr. Chairman?

The CHAIRMAN: Yes. It is not in the minutes of the committee but it is available to any member of the committee. We received so many of those requests that the committee decided it was better not to put them in the minutes of the proceedings but to have them available for any member of the committee, and I think they are listed in the minutes of the committee and available to any member of the committee.

Mr. MARTIN: I know something of Mr. Corbett's work, and it might be advisable to make an exception in the case of his submission.

The CHAIRMAN: Of course we have all of that submission in the evidence taken in 1934, which has been tabled in this committee.

Mr. RYAN: Is that new submission similar to the one of 1934?

The CHAIRMAN: Yes, on similar lines.

Mr. EDWARDS: Do you know of any plan that has ever been taken to teach the French language over the radio, by radio instruction?

Mr. MARTIN: Mr. Corbett's.

Mr. PLAUNT: Yes. Mr. Corbett's is perhaps the most outstanding example in Canada. They have been teaching at the University of Alberta station, through their department of extension, radio French, giving formal French instruction over the radio for some seven or eight years; and the results they have achieved are simply amazing.

Mr. EDWARDS: I think there are a great many people situated perhaps like myself. I know in the riding I come from I do not know of any more than a half dozen French-speaking people. But on the other hand, there are a great many people who have a slight knowledge of French and would like very much to improve that knowledge. As they term it, it would go over great in my riding. I think there a great many people who would be very glad to receive instruction of some sort in that way.

Mr. PLAUNT: I think from that point of view the radio could be used very effectively.

Mr. EDWARDS: And it would lead to a very much better understanding. A man acquainted with two languages has a better understanding than a man with one; and a man with three is better than one with two.

Mr. McINTOSH: I imagine that method would be very successful in regard to people who had some foundation of French; because with a teacher miles and miles away on the air, the teacher's personality or individuality would be absolutely absent.

Mr. PLAUNT: Quite so.

Mr. McINTOSH: That is always a very important element in teaching.

Mr. PLAUNT: That is undoubtedly true.

Mr. EDWARDS: You would have your textbooks; and most of us have some knowledge of it.

The WITNESS: I understanding that the extension department of the University of Alberta sends mimeographed sheets some few days ahead of the radio broadcast, so that the people can prepare and also follow part of the talk.

Mr. EDWARDS: That is what I had in mind. I did not know that we had that.

The WITNESS: That has been done.

Mr. MARTIN: I do not want to press this point unduly, but I was talking with Mr. Corbett the other day and I rather suspect that the submission he has made to this committee involves a few changes in the submission to the previous committee. I think the point is so important that it might be well, particularly in view of the fact that he is in the West now and not available to the committee, if what he has given now could be incorporated in the report of the committee.

The CHAIRMAN: I think, Mr. Martin, I probably am mistaken when I said that Mr. Corbett presented a brief or memorandum to this committee. I had a conversation with him on the train coming into Ottawa, and he expressed to me that the views that he had expressed in 1934 were the views that he held to-day on radio broadcasting.

Mr. PLAUNT: That is in the matter of principle.

The CHAIRMAN: Yes.

Mr. PLAUNT: The principle of a public system. He takes the same position that we do. He actually is a member of our committee. Mr. Corbett has been working very closely with what is known as the Foothills Network in Alberta. They are a group of commercial stations which tie up with the University of Alberta station to broadcast some of his extension material. He has a very sympathetic understanding of their problems, the problems of the small local station; and I think from that point of view his statement this year is particularly valuable.

Mr. McINTOSH: In case he wants to add to or change in any way his previous admission, would it not be well to wire him and ask him to send the changed submission if he wishes, in order to have it up to date?

Mr. PLAUNT: I think that would be excellent.

Mr. MARTIN: I understand the chairman to say he had made a submission.

Mr. MacKENZIE: If you are asking Mr. Corbett, why not ask some of the others? Manitoba is years ahead of Alberta in broadcasting French lectures on the radio.

Mr. McINTOSH: Yes.

Mr. MacKENZIE: We have special lecturers; so has Saskatchewan, in the department of education.

The CHAIRMAN: I may say that I am trying to get a meeting of the subcommittee to-morrow afternoon at 2.30, and that question could be referred to the subcommittee. Personally I am of the opinion that the evidence submitted in 1934 is before the committee, and I think that the members of the committee could gather most of the information that they wish from it.

Mr. McINTOSH: Well, if that is the case, if you had his verification, that would settle it.

The CHAIRMAN: The only thing that we have not got probably is the success of his broadcasting in French through the University of Alberta and the station there. I do not think that is in it.

Mr. McINTOSH: He might care to add to his previous statement slightly.

[Rev. Father H. St. Denis.]

Mr. PLAUNT: Yes, that is quite possible.

Mr. MACKENZIE: Have you any information, Father St. Denis or Mr. Plaunt, regarding the interest that is shown by adults? That is what I would like to get at. I am not very sure that there are very many adults who are clamoring for education.

Mr. PLAUNT: I am really not competent to answer that question.

Mr. MACKENZIE: With regard to what the department of education are doing in the way of broadcasting educational work in the provinces that I know, Manitoba and Saskatchewan, it is only the school population that is taking an interest so far as I know.

Mr. PLAUNT: I think that is true.

Mr. MACKENZIE: Any attempts that have been made to do adult educational work have not been successful.

Mr. PLAUNT: I think the adult education that has been successful, such as that conducted by the University of Ohio, for instance, has been education in the very wide sense—good music, good talks, and that sort of thing—of a very general character. Formal education has not been utilized on this continent to any great extent.

Mr. MACKENZIE: That is a point I would like Father St. Denis to answer. I am concerned with the radio from a national educational point of view, and how far the League would want to go with education.

WITNESS: Well, through the medium of the corporation or the board of directors, we stress this importance of education to the point where something will happen, something will be done about it, in case nothing has been done already.

Mr. PLAUNT: I think Father St. Denis was conveying the impression, unless I am mistaken, or trying to convey the impression that the opinion which he mentioned in the province of Quebec was primarily interested in broadcasting as an instrument of education and national unity. I do not think he meant to convey that the League, as a whole, was a league to advocate education over the air. Our object is to advocate a certain type of broadcasting system; and we do not put an undue emphasis on the educational side. I do not want that impression to go out.

Mr. MACKENZIE: That is what I wanted to get at, the nature of the educational work that you want.

WITNESS: I do not think the radio league has any educational program to offer or any suggestion along that line. But it is interested in education. In general, they endorse the principles of the League. This is what I want to make known to the committee.

Mr. PLAUNT: The League has the support of the heads of the Canadian universities.

WITNESS: And the chairman of boards of education in Montreal and Quebec.

Mr. MACKENZIE: Personally, I think more educational work could be done on the radio than has been done.

Mr. PLAUNT: It is its proper sphere.

Mr. CAMPBELL: Could you place on the record the names of your executive?

Mr. PLAUNT: Yes, certainly. You want the executive committee?

Mr. CAMPBELL: Yes. Well, your executive and any subcommittee you have.

Mr. PLAUNT: We have an executive committee, which is a fairly large committee with members in various parts of Canada. We establish local contact. We have always worked that way; and those members have been the nucleus for local committees. Then we have a subcommittee of that executive which carries on the work of the executive from time to time.

Mr. CAMPBELL: Just place both on the record.

Mr. PLAUNT: I beg your pardon.

Mr. CAMPBELL: You might read out the subcommittee.

Mr. PLAUNT: I have not the proper list here, I am afraid. But the subcommittee which has been carrying on since 1934 consists of Mr. Brooke Claxton who was here this morning, Dr. Corbett, Mr. E. H. Blake, Father St. Denis and myself. With regard to the larger committee, I would have to give you the details of that.

Mr. CAMPBELL: That is all right.

Mr. PLAUNT: We have representatives in Vancouver, Edmonton, Saskatoon, Winnipeg, Toronto, Montreal, and Halifax.

Mr. RYAN: Just in Halifax in the Maritimes?

Mr. PLAUNT: Then we have also a member of our council who is in New Brunswick, president Jones of the university.

Mr. RYAN: Of the University of New Brunswick?

Mr. PLAUNT: Yes. Then I see here the name of Dr. Trueman.

Mr. RYAN: They are very representative men, Dr. Jones and Dr. Trueman.

Mr. PLAUNT: I will be glad to supply the committee with a complete list.

Mr. McINTOSH: I think that should be put on the record.

Mr. HANSON: Who is the representative in Vancouver?

Mr. PLAUNT: We have a committee in Vancouver. Mr. A. E. Grauer is the secretary of that committee; General Odlum was Chairman. Mr. R. L. Reid, K.C., was the vice-chairman.

Mr. PLAUNT: President Klinck of the University was on our council.

Mr. McINTOSH: What executive facilities have you in Saskatchewan?

Mr. PLAUNT: We have the nucleus of a committee there.

Mr. McINTOSH: Where is it located?

Mr. PLAUNT: We have no offices. It is personal.

Mr. McINTOSH: Is it representative of the province? That is my point.

Mr. PLAUNT: There is Dr. Murray, president of the University; Mr. McQueen who is now in Manitoba and who has not been replaced on that committee, and Mr. J. F. Garrett. Then in Manitoba, Mr. E. J. Tarr, K.C., Mr. Paul Nanton, Dr. McLean of the University. I will have to supply you with a typewritten list.

Mr. McINTOSH: We will have the complete personnel from Saskatchewan in the record?

Mr. PLAUNT: I will supply that.

By Mr. McIntosh:

Q. I would like to say with regard to that committee that I think it should have been more representative by far for the whole of Saskatchewan than it was.

Mr. PLAUNT: There was no attempt to make it representative for the whole of the Province; we simply keep a nucleus. As Mr. Claxton explained this morning, we are primarily a clearing house. Our organization became more

[Rev. Father H. St. Denis.]

active on three occasions, that is, before the 1932 committee, the 1934 committee and this present committee. In the meantime, we simply have kept a purely skeleton organization.

Q. The only affiliated body in Saskatchewan was the United Farmers of Saskatchewan. Have you any others besides that organization?—A. Well, our organizations are national organizations primarily.

Q. The one I am speaking of is mainly provincial.—A. Yes, that is provincial, but the Trades and Labour Congress, for instance, and the Canadian Legion cut right across the country.

Q. What was the last organization you mentioned?—A. The Canadian Legion of the British Empire Service League.

Q. Of course, that is an organization of returned men?—A. Yes, but from our point of view it is a listener's organization.

Q. What about the Association of Canadian clubs?—A. They do not take a stand on a question of this kind. We are supported there by various newspapers.

Q. I notice they only mention one newspaper, the Western Producer. What about others?—A. There is the Leader and Star Phoenix.

Q. You did not mention the latter ones.—A. In these excerpts?

Q. Yes.—A. No.

The CHAIRMAN: If there are no further questions I should like to say that the committee is indebted to the Radio League for preparing such a comprehensive brief. I am sure I am expressing the views of all members of the committee when I say that it will greatly facilitate our work in making a final report to the House of Commons. The Radio League must have gone to a lot of trouble to prepare this brief, and on behalf of the committee I want to thank the executives of the Radio League for preparing this document.

Mr. PLAUNT: Thank you, very much, sir.

The CHAIRMAN: We have present, Mr. Moore of the Trans Radio Press Agency, who came all the way from New York.

HERBERT MOORE called.

By the Chairman:

Q. Mr. Moore, you are from the Trans Radio Press Service of New York?—A. New York City, yes.

By Mr. Campbell:

Q. Is that the name of your company?—A. Yes.

The CHAIRMAN: I might state that the reason Mr. Moore is here is that the Canadian Press appeared before this committee and presented a brief, and I think Mr. Moore wishes to counteract some of the matters dealt with in that brief.

Mr. WOODSWORTH: Could we have a description of the service performed by this company?

By Mr. Campbell:

Q. Where was your company incorporated?—A. New York state.

Q. That is the headquarters?—A. Yes.

The CHAIRMAN: You might explain exactly what your organization does.

By Mr. Martin:

Q. Your head office is in Newark?—A. No, New York. It is like any other press service. It has a world-wide news gathering system, consisting of its own bureaux, its own staff correspondents augmenting the service of other dependent

news services. It distributes the news primarily to radio stations throughout this hemisphere and some foreign countries. It also serves newspapers, not a great many, but an increasing group of newspapers. The news is essentially the same as other services which serve primarily newspapers, except that the news is written in a very different manner as regards terseness and brightness. Except for those two differences, I do not think there is any essential difference between Trans Radio and the Canadian Press, Reuters, the Associated Press or any other news service, except that a great many press services are controlled by governments or controlled by newspaper groups, whereas Trans Radio is an independent company.

By Mr. McIntosh:

Q. You are in competition with other services?—A. Yes, in strict competition, on the same methods and in the same manner.

By Mr. Campbell:

Q. What powers have your company under its charter?—A. It grants us the right to gather news and distribute news for sale to recognized outlets, such as newspapers or broadcasters or any other medium for serving the public.

Q. You are carrying on that business now?—A. Yes.

By Mr. McIntosh:

Q. What about the extent of your service in Canada?—A. I would say it is very modest, there being perhaps a dozen radio stations subscribing to the service scattered throughout Canada, and not a daily newspaper, though I think there is a weekly newspaper. I think I should correct that statement, that a paper owning a radio station also uses the service.

By Mr. Martin:

Q. At Sudbury?—A. I think it is Timmins.

By Hon. Mr. Cahan:

Q. How do you distribute your news to Canada, by wire?—A. By teletype, by telegraph and by wireless.

Q. Then the script that you furnish is read at the several stations broadcasting in Canada?—A. Yes, after they have made their own selection of the news material which they deem most suitable for their own audience. We do not broadcast any news in Canada, merely deliver a certain selection of world news which we lay down to them at a certain price. They make up the program as to the length, five minutes or ten minutes or whatever it is.

Q. Do you have a broadcasting station in the United States?—A. No, we rent the facilities of a corporation owned by American newspapers, which we call the Press Wireless Incorporated.

By Mr. Campbell:

Q. Have licences been issued from the United States Government?—A. Yes.

Q. How many licences have you?—A. I imagine that they have perhaps two dozen frequencies and their licences are throughout thirty or forty countries.

Q. What stations do you serve?—A. There are a great number of them. They vary. I am not familiar with their call letters, but the names of the stations I can obtain for you.

By Mr. McIntosh:

Q. I did not catch that last part.—A. I say the call letters of this particular transmitter varies according to seasons, according to distances involved and at one time or another we used a transmitter called WCX. But their names are just two or three initials and they have no significance.

[Mr. H. Moore.]

By Mr. Campbell:

Q. Do you own any of the stations?—A. No.

Q. You rent them all?—A. We rent facilities, not the whole station itself.

By Mr. McIntosh:

Q. How does your service price compare with the United Press and the Canadian Press?—A. It is difficult to make a comparison because the comparison would be dependent on the kind of delivery and the volume. I imagine for a city like Toronto, Montreal or Vancouver for an eight or ten-hour lease teletype service our rate would be perhaps two-thirds of one-half the rate of the service.

By Mr. Campbell:

Q. Do you collect your own news directly?—A. Yes.

Q. Do you have any news affiliations in the United States?—A. We serve certain newspapers in the United States and abroad.

Q. You are not affiliated with them directly?—A. No; entirely separate from the radio industry and the publishing industry.

By Mr. Ryan:

Q. Is there any national censorship?—A. No.

Q. Are you not fed by Reuters?—A. Our service is augmented by certain foreign news from Reuters and from the Central News of London.

Q. Do you buy anything from the Canadian Press?—A. No; it is my understanding that it would not be for sale, in the strict sense of the word, because the Canadian Press is not a commercial organization.

By Mr. Campbell:

Q. In connection with your receiving news from some other agency, is your news all factual or editorial?—A. It is the most factual news in the world by virtue of the fact that it must be so terse. It is likewise restricted as to the substance of the dispatch because of the fact that the listeners are not interested in views, and the time is so restricted on the air that it is not possible to indulge in 200 or 500 word statements of views rather than facts.

By Mr. McIntosh:

Q. Is there an element of colour or propaganda of any kind?—A. No, not to my knowledge.

Q. You made a very interesting statement, when you mentioned that your service was more terse and brighter than the service of the Canadian Press. Can you explain how you bring about that terseness and that extra brightness?—A. Well, it consists of a method of presenting the salient facts with brightness and eliminating unnecessary details. Then it features a more colloquial, a more ordinary speech, the speech of every day life which is more successful in communicating ideas. We do not deliver great masses of words which we do not find it possible to bring down into a single idea.

Q. Brevity, then is a conspicuous factor?—A. It is the whole essence of Trans Radio Service.

By Mr. Campbell:

Q. If you received a dispatch from Reuters or any other press agency, you do not put it over your service as you receive it?—A. No, because the Transatlantic cable toll being 5 cents a word makes it prohibitive for dispatches to be sent fully written, as we call it. They are sent in condensed or very skeletonized

language, all the unessential phraseology being left out and the background material, namely, the material that will not appear, also being left out, because to the man in London such information is available.

Q. The reason I asked you, Mr. Moore, is that on April the 7th Mr. Livesay of the Canadian Press appeared before this committee. There was a discussion regarding certain British news, and Mr. Livesay said, at page 81 of the report:

"Mr. Chairman, I have here the written proof of the sort of thing transmitted to us. We think it is not correct. On October 25th last, Prime Minister Baldwin said in London:—

I would never sanction this country going in for a blockade unless I was assured beforehand of the attitude of the United States.

We got that from Reuters. Trans-radio buys Reuters. Trans-radio put this out—I heard it myself:—

Great Britain will not go to war unless assured of United States support.

By Mr. McIntosh:

Q. That is United States colour?—A. Yes. That does not coincide with the dispatch as transmitted by us.

By Mr. Campbell:

Q. Well, the dispatch which Mr. Baldwin apparently gave out was not the same dispatch that you gave out, and that is what they were criticising?—A. His recollection of what was broadcast was inexact, to say the least. We did not deliver any such dispatch.

Q. No such dispatch?—A. No, we delivered a dispatch of the same sort, but in very different phraseology.

Q. I think you should give the phraseology?—A. I have it right here as part of the evidence.

By Mr. McIntosh:

Q. You have the exact words?—A. Yes.

The CHAIRMAN: Mr. Moore has it in his brief. I think probably we had better have Mr. Moore's brief.

WITNESS:

Government control and newspaper dominance are the two grave dangers against which the radio industry is fighting to-day in every country of the world.

In most countries of the old world radio has succumbed to Government control. In most countries of the new world, it has, temporarily at least, fought off the danger of Government control. But the equally grave danger, that of newspaper dominance of broadcast facilities, is confronting radio in Canada as well as the United States. The publishing industry is not only seeking to buy control of private owned radio stations but is insidiously striving to establish a monopoly of all news broadcasts on the air.

An independent source of news for broadcast is, therefore, a decisive factor in the struggle of radio to be free. Due to the development of Transradio Press Service, of which I am president, radio broadcasters in the United States, Canada and numerous other countries, have been able to obtain accurate and impartial news for broadcasts, despite the numerous restrictions imposed on them by publishers. The right of Transradio to gather its own news and to distribute it to its radio clients is now being challenged in Canada by the organization which represents a considerable portion of the Canadian publishers.

[Mr. Herbert Moore.]

This organization, known as the Canadian Press, is now seeking to monopolize the broadcast of news by a most undemocratic scheme. They have made before this Commission accusations against Transradio of a libellous nature and my presence here to-day is to refute these malicious and ridiculous charges.

Before entering into a discussion of Transradio's independence and impartiality as a news service, I desire to discuss briefly the scope and function of its world-wide news gathering organization. It was created two years ago when the American publishers in combination with the American Press Associations, and the two National radio networks, put into operation a plan to strangle the broadcast of fresh news in the United States. Their plan was known as the Press Radio Agreement and set out to stop all broadcasts of news other than the 5-minute programs per day, which were to contain only news of an incomplete nature which had already appeared in print several hours. Simultaneously in Canada the Canadian publishers were effectively restricting the broadcast of fresh and complete news by radio stations.

Transradio has succeeded because it established its own world-wide news gathering organization, guaranteeing to it adequate and authentic news resources. Bureaus were established in the principal countries of the world and staff correspondents were employed in numerous major cities of the United States and Canada and the leading foreign countries. To reinforce its own news gathering organization, Transradio acquired broadcast rights to the unparalleled news service of the great British Empire organization, Reuters, Limited of London. Transradio likewise acquired broadcast rights to the world-wide news service of Central News of London. Adequately financed by independent capital and directed by veteran news men, Transradio soon established a record for accuracy and speed which stands first in the world to-day.

Between March, 1934, and the midsummer of 1935, Transradio fought these restrictions with such force and courage that the American publishers were forced to acknowledge failure. Modifications were made in the so called Press Radio Agreement in June, 1935, and other modifications are promised, but there has been no change of heart on the part of the American publishers. Whatever modifications have been attempted and whatever modifications are contemplated are subtly aimed at the destruction of Transradio, and your Commission is now in possession of a plan submitted by the Canadian Press which is even more subtle and insidious.

The campaign of the newspaper publishing monopoly in the United States and Canada has proceeded in a parallel way towards the same goal. In both countries the publishers turn their back on the vast millions of people who reside beyond reach of their daily publications and have conspired to restrain the broadcast of news purely for selfish reasons.

By Mr. Martin:

Q. Please read that sentence again?—A. Yes:—

In both countries the publishers turn their back on the vast millions of people who reside beyond reach of their daily publications and have conspired to restrain the broadcast of news purely for selfish reasons.

The first phase of this conspiracy was an attempt to limit the amount of news which could be broadcast in such a way as to make radio listeners dependent on their newspapers for their daily news. This part of the conspiracy has failed, largely due to the successful growth of Transradio.

The second phase of this conspiracy is only now just beginning. It takes the form of a plan to make more abundant news available to radio broadcasters but to prohibit the sponsorship of such news programs by radio advertisers.

At first glance the plan appears to be motivated by a desire to give the public better service of news broadcasts but at second glance the plan is cleverly calculated to impoverish radio broadcasters by prohibiting them from selling, for advertising purposes, the time intervals occupied by the news broadcasts. Radio stations, like newspapers are primarily advertising mediums and their well-being depends entirely upon their capacity to sell their time for advertising purposes. Broadcast of four times as much news as is presently permitted by the Canadian Press would be unworkable, economically impossible, were the broadcasters not permitted to obtain revenue from the time thus allocated to the news broadcasts.

Behind this subtle plan is the determination of the publishers to prevent radio from gaining any additional advertising business which the newspapers feel belongs to them. Although newspapers sell their space entirely on the basis of its adjacency to news, and newspapers are well-known to be sustained entirely by the revenue from their advertising, publishers now want to cripple radio by prohibiting advertiser sponsorship of news programs, which inevitably will impoverish broadcasters and place them at a serious disadvantage in competing with newspapers for advertising business.

For more than a year Transradio has been furnishing news to a progressive group of Canadian radio stations scattered throughout the Dominion. We have been furnishing them with comprehensive world-wide news, delivering it to them at certain intervals of the day by teletype, telegraph and wireless.

By Mr. Campbell:

Q. Could you give us an approximate percentage?—A. Perhaps 80 per cent to 85 per cent wireless.

Q. But the world news and the United States news?—A. The proportion would be approximately 70 per cent American and 30 per cent foreign.

Q. No Canadian news?—A. Yes; Canadian news is included in what is called foreign news.

By Mr. Martin:

Q. But you have no Canadian representative?—A. Yes; we have our own Canadian news-gathering men, all Canadians resident in Canada.

By Mr. Campbell:

Q. What percentage would be entirely Canadian news?—A. It varies according to availability. Possibly two or three per cent per day.

By Mr. McIntosh:

Q. How many men with newspaper experience have you in your working organization in New York?—A. About 45 men.

Q. You have 45 Canadians?—A. No, not Canadians; 45 newsmen.

Q. What percentage of those 45 men are Canadians?—A. None in New York. The Canadian newsmen are the correspondents in Canada who supply us by telegraph.

[Mr. H. Moore.]

Q. After you get the news from your Canadian correspondents in Canada, is it changed in any way before you transmit it?—A. Changed only as all news is changed. That is, it is put into shape to be consumed by the public. It is rarely transmitted by the correspondent as a finished product.

Q. You fabricate it in New York and broadcast it?—A. We reduce the volume of it a great deal.

Q. But you do the final manufacturing of the news with those 45 employees?—A. Yes.

By Mr. Martin:

Q. With respect to the news that comes to Canada from your service, are there any persons who do the shaping of the actual news?—A. Not in New York; but every radio station subscribing to this service has its own news editor or news editors. They are engaged in local news activities, and they assort the news according to its merit, and I understand they use about one-third of it.

By Mr. McIntosh:

Q. Could you give us the names of the Canadian correspondents or are they too numerous?—A. They are too numerous; and, further, to do so might cause them inconvenience because of reprisals.

The CHAIRMAN: You may proceed with your brief.

WITNESS:—

In every instance the Canadian broadcasters have been able to make their own selection of the news to be broadcast and to edit the same in a manner best suited to satisfy Canadian radio listeners. Practice proved that the Canadian broadcasters are entirely competent to edit the news which they broadcast and are more likely to think first of the listener than are the editors of the Canadian Press, who inevitably would think first of the publishers.

The Canadian Press has, therefore, put away the garb of the world and now comes forth disguised in sheep's clothing. In its determination to preserve its own private monopoly of news in the Dominion of Canada, the Canadian Press has gone so far as to libel Transradio. Undoubtedly they have at one time or another, when other American Press Services were entering the Canadian newspaper field, made similar charges and for the same purpose. It is difficult to understand how it could be argued that Canadian broadcasters are not entitled to the same advantages as are Canadian publishers who freely buy the news service of the Associated Press, the so called British United Press and the International News Service. A glance at any leading Canadian newspaper will reveal the fact that most of them depend as much on American news services as they do the Canadian Press, and the same situation prevails in the Canadian radio field. The Canadian Press service in itself is not adequate for publishers or for broadcasters. In my opinion, the Canadian Press indirectly acknowledges the fact that it is unable to compete effectively when they ask your Government to subsidize the distribution of their news service to radio stations in Canada. They now seek to re-establish their monopoly of the news on the air which Transradio helped crush a year ago. They are seeking to raise the spectre of propaganda because they have no other weapons.

By Hon. Mr. Cahan:

Q. Is the statement which you are reading as to its colouring and the moderation of its terms and its lack of exaggeration characteristic of the news broadcasts which you produce?—A. No; I would say it is decidedly characteristic

of one's natural resentment at the type of language used by representatives of the Canadian Press who went to extreme lengths in ridiculing and belittling the operations of my organization.

Q. I have always thought that using moderation in language is the best method of meeting exaggerated statements?—A. Perhaps so; but unfortunately it is not my nature to fight with soft language. I desire only to state this matter in its proper perspective. This is not simply an attempt to keep out propaganda, because propaganda is coming into this country every hour. It is inherent in the system of news; across the border of this and every other country news service is bringing news which inevitably is changed.

By Mr. McIntosh:

Q. You think that news which is international in its character must get across boundaries?—A. Organizations anti-British and pro-British are serving this country freely and without any interference; and it does not seem to me that propaganda has any place in this discussion.

By Mr. Campbell:

Q. You feel that the radio station manager is as capable of editing his own news as is the newspaper editor?—A. I do not necessarily feel that the station manager is just as capable, but I feel that his news editor is just as capable, or the man they employ to do the job for them.

By Mr. Martin:

Q. Your thesis so far is based upon the assumption that the Canadian Press want a monopoly. In their submission before this committee they made no such suggestion. As I understand it, they are not afraid of competition. All they were asking for was a greater employment of their service? (No response.)

By Mr. McIntosh:

Q. As I understood it, the Canadian Press desires sound, constructive international news which will invigorate and educate but they do not want, and we do not want as a nation within the British Empire, propaganda scattered broadcast throughout this country that will help to break down our nationality or institutions. We are not built that way, and we want to preserve unimpaired what we have?—A. We are simply objecting to the charge of propaganda. We are not objecting to any other charge that might be brought forward. We would be glad to answer any such charge. Propaganda has no part in the particular operations of this company. It could not hope to come into Canada and sell poisoned news of an anti-British type any more than an American grocer could come into Canada and sell poisoned food. We are simply selling what is actually overflow service.

By Mr. Martin:

Q. Food is universal in its quality, but news determines one's point of view? —A. News is fabricated, and sometimes has inferior ingredients put into it. Our news service, we maintain, by our impartiality, is clean and lacks propaganda.

Q. When your program starts do you have a blare of trumpets first before the news is announced?—A. No.

Q. What service is that?—A. There is the "March of Time" program.

A VOICE: Perhaps it is the Border Cities Star!

MR. MARTIN: Oh, no.

WITNESS: There is a program called the "Five Star Final" which may overlap the border, dramatized news programs. Our news programs are simply

[Mr. Herbert Moore.]

an assortment of the best available brief world news items broadcast at intervals by an announcer who simply repeats them and does not introduce any other language except perhaps a commercial message by somebody sponsoring the program.

By the Chairman:

Q. You might proceed with your brief, witness?—A. Thank you:—

To their preposterous charge of propaganda we reply with the facts of Transradio's unequalled independence. Transradio is entirely free and independent of both the radio and newspaper industries of the United States, or any country.

Whereas all other major press services in the world are controlled by newspaper groups, or are subsidized by governments, Transradio service is 100 per cent independent. Transradio is, therefore, unique in its independence and challenges any news organization to show that it is equally free.

Transradio is a privately owned American organization dedicated to the principle that a fair profit can be made from the sale of fresh and honest news. It is under no obligation to anyone, and has no outstanding debts. It has no political axes to grind, no policy to preach, and no propaganda to spread.

The self-blinding hatred which brought the Canadian Press to accuse Transradio of propaganda can only be explained by their extraordinary ignorance of the true facts of Transradio. In their annual report, and more recently, before your Commission as part of the testimony submitted by one of their representatives, the Canadian Press made the ridiculous statement that Transradio has its headquarters in Newark, N.J., in the Bamberger Department Store. That statement made a year ago might have been forgivable, but when it was repeated before your Commission on April 7, it indicated clearly that the Canadian Press has made no recent effort to obtain the true facts. We must, therefore, presume that they do not want to know the true facts because they do not want the Canadian people and your Parliament to know the true facts.

The headquarters of Transradio Service are in New York City at 342 Madison avenue, where the organization has been operating since March, 1934. It has never had its headquarters in Newark and it has no relationship whatsoever with the Bamberger Department Store of Newark, N.J. It is a mere coincidence that radio station WOR of Newark, N.J., which is one of the clients of Transradio, is owned and operated by the Bamberger Department Store. Radio station WOR and two hundred and fifty other radio stations subscribe to Transradio, but there is no connection whatsoever between the corporate structure of Transradio and the organizations which own and operate any of the two hundred and fifty radio stations which Transradio is now servicing.

The Canadian Press, however, does not content itself to be wrong on this one point. They have charged before your Commission that Transradio is distributing anti-British propaganda in Canada, which they say is a menace to the well-being of the Dominion. They have deliberately distorted a Transradio news dispatch to substantiate the charge which was part of their testimony before your Commission on April 7.

By Hon. Mr. Cahan:

Q. Are you about to give us the exact language?—A. Yes:—

Once again the true facts were not known and no effort was made to obtain them, although six months have elapsed since the news dispatch

in question was broadcast. With your indulgence, I will now give you the true facts of the one and only instance of alleged propaganda which they have been able to produce as testimonial evidence.

The dispatch in question was part of Transradio's regular service as distributed to our clients in the Western Hemisphere on the evening of October 25, 1935. The information on which the dispatch was based was furnished to Transradio by the well-known British news agency, Reuters, Limited, of London. They supply Transradio with certain foreign news and on this occasion furnished the following brief dispatch from London:—

(Quote) "I would never sanction this country going in for a blockade unless I was assured beforehand of the attitude of the United States" (unquote) declared Baldwin.

Q. That is the message which you received?—A. Yes.

Q. That is an exact transcript of the language of Mr. Baldwin as shown by the reports we have?—A. We admit that that is the actual text of the dispatch we received.

By Mr. McIntosh:

Q. And that is the dispatch you sent out?—A. No.

Mr. MARTIN: He is going to give us that now.

WITNESS:—

Representatives of the Canadian Press who appeared before your Commission on April 7 told how he had heard an anti-British interpretation of that news dispatch broadcast at 11 p.m. on the same evening. He said he heard the Transradio announcer open his remarks by saying "in effect"—and I want to emphasize the phrase "in effect,"—that "Great Britain will not go to war unless she is assured of United States support."

By Hon. Mr. Cahan:

Q. Is that the message you sent out?—A. No. That is what the Canadian Press representative says he heard, "in effect." Then:—

The gentleman in question, it is to be regretted, did not hear the dispatch correctly, nor was any effort made subsequently to obtain the text itself. I have with me the text of the dispatch itself and wish now to read it. It was as follows:—

"London—Prime Minister Stanley Baldwin declared tonight that Great Britain would not blockade a country without knowing before-hand the attitude of the United States."

That is the first paragraph. Now, the remainder of the dispatch, which we will admit is interpretive, reads as follows:—

"This plainly means that Great Britain would not blockade Italy as long as United States continues shipping supplies to Italy."

By Hon. Mr. Cahan:

Q. That is your interpretation?—A. Yes.

Q. Is that the end of it?—A. No:—

"...For 100 years or more Great Britain has been insistent on the right to seize contraband goods being shipped from the United States to nations with which Britain was at war. For 100 years it has created bitterness between the two nations. Therefore, Baldwin's declaration today marks an important milestone in the relations between Great Britain and the United States."

That is the dispatch.

Q. You regarded that as an uncoloured and fair statement of Mr. Baldwin's address?—A. I regard that as a truthful presentation of what the man said, accompanied by a paragraph evaluating it and giving its real meaning.

Q. Is not that the real difference between us? You could not find a Canadian of intelligence who would evaluate it in the same way?—A. I do not think you could find anybody who would say it is anti-British.

Q. Anything that is a misrepresentation of one hundred years of history may be regarded as anti-British?—A. I think it is undeniable that the British and American governments in 1914 and 1915 were at serious odds as to whether a neutral country could ship contraband goods to a country at war.

Q. Quite so, and the Americans accepted the British viewpoint?—A. They accepted the British viewpoint after many ships had been stopped at sea.

Q. I am not criticizing you. You were born and bred in the United States, I take it?—A. Yes.

Q. Does not a man who is born and bred in the United States develop a mentality that is different from the British or English or Canadian mentality, and would he not evaluate facts with a different colouring?—A. I am quite sure there is a difference. I have had the good luck to live and work in London, England, as a newspaper man, and I happen to know quite a bit about British policies and methods and the Anglo-American relationships, and also the relationships between the United States and Canada. I have been regularly assigned to attend Downing Street and the foreign office during the Economic Conference, and I was in daily contact with Mr. Bennett when he was over there. I say this dispatch is as favourable to the relationships between the United States and Great Britain as a British citizen would expect it to be.

Q. I think there may be ground for very considerable controversy there?—A. Quite. But I am saying that the despatch is not Anti-British.

By Mr. MacKenzie:

Q. Would you read the interpretative part again?—A. Yes.

This plainly means that Great Britain would not blockade Italy as long as the United States continues shipping supplies to Italy.

By Mr. Campbell:

Q. There is more than that?—A. Yes, there is more. Continuing:—

For one hundred years or more Great Britain has been insistent on the right to seize contraband goods being shipped from the United States to nations with which Britain was at war. For one hundred years it has created bitterness between the two nations. Therefore, Baldwin's declaration to-day marks an important milestone in the relations between Great Britain and United States.

By Mr. Martin:

Q. Mr. Moore, I am in accord with Mr. Cahan, while I am not being critical of you. What I am suggesting is that the interpretation does reveal much merit in what the Canadian Press have alleged. For instance, Great Britain is a member of the League of Nations, and that involves obligations apart from Anglo-American relationships. Who made the interpretation of that?—A. The foreign editor then assigned to the duty, who had, like myself, been in London for a great many years.

Q. He was not an Englishman or a Canadian?—A. We could not hope to maintain a representative of each nationality.

Mr. CAMPBELL: We are hardly supposed to decide whether it is British or not.

By Hon. Mr. Cahan:

Q. Why make an interpretation like that?—A. Because the statement read—

Q. Not this particular one by Mr. Baldwin, but any one. Why do you evaluate a statement like that?—A. Because it is a universal practice to do so, laid down by years of journalistic history. It is done by every newspaper every day of the week.

Q. Is not that the real reason for criticism of your newspapers in the United States? Canadians regard their propaganda with aversion?—A. Well, that is perhaps true. I myself do not admire them.

Q. The foreign news of certain newspapers is above criticism; but certainly propaganda in regard to it is very frequently in depreciation of this country?—A. And yet if you were to study the leading Ottawa papers of yesterday afternoon and this morning you would find that they prefer the Associated Press despatch from Addis Ababa and several other foreign places, which is hard for us to understand if these facts are as you allege.

Q. No, but the Associated Press at least has had a long and distinguished career in which it has endeavoured to avoid evaluating news in such a way as to create pernicious propaganda?—A. They interpret it every day of the week, and whether or not they avoid the allusion of propaganda is open to interpretation. Certainly the A.P. is no more than the collective newspapers of America; and if the newspapers of America, with but four or five exceptions I could note, are so guilty of misinterpretation, it seems to me that the Associated Press is no greater than all the papers it represents.

By Mr. Campbell:

Q. Does the dispatch you have just read go out on the line wire from your service to the stations or by short wave transmission?—A. This dispatch was generally distributed at the hour it was available by every means that we distribute by.

Q. What are those?—A. That is by teletype, by telegraph and by wireless. The dispatch was primarily written, of course, for the American newspapers and for the American radio stations which we serve. Everything must be primarily destined to someone.

Q. Just a minute. I want to lead up to something. It would be sent to all the stations in Canada in that same form either by telegraph or by telephone?—A. Yes.

Q. It would not necessarily go out over the Canadian stations in that form?—A. No.

Q. That is up to the news editor of each one?—A. He could reject the second paragraph entirely.

Q. Yes?—A. And it was his right to do so and his duty to do so if he felt that it was detrimental to the cause of British relations.

By Mr. McIntosh:

Q. Where would it be rejected, may I ask?—A. At this station. It is transmitted to them as a piece of news.

Q. At his station in Canada?—A. Yes.

By Hon. Mr. Cahan:

Q. Is it transmitted by radio broadcasting station?—A. No, transmitted by wireless in the same manner as any other material is transmitted.

Q. Who would do the rejecting, the radio broadcasting commission?—A. Yes. Their news editors or managers or both.

[Mr. Herbert Moore.]

By Mr. McIntosh:

Q. That interpretative statement that you just read is really an editorial comment or editorial statement, is it not?—A. No, I do not think so. I think that the proper description of that is that it is 3-M dash matter. That is the term used by newspapers to carry previous information in convenient form, so that the listener or reader knows what went before.

Q. It is really not factual matter. It is an interpretation based on what goes before it. Therefore it is really an editorial statement. The question it would involve is this: Should it be mixed up or confused with the purer type of news item?—A. I would say that the percentage of news which is transmitted in any one hour by Trans-Radio is 95 per cent actual fact; and that this dispatch carrying a full paragraph of perhaps 60 words of interpretative matter, background material, represents a very unusual deviation. This dispatch would not have had any meaning, would have had no importance whatsoever, simply carried as a one-paragraph news item. It would be a total loss to the listener.

By Hon. Mr. Cahan:

Q. Then the real purport of the news item was that in case of Great Britain entering into war with Italy or Italy entering into war with Great Britain, the promise had been given by Mr. Baldwin that the British government or the British Navy would not interfere with the sending of goods from the United States to Italy during that war. That is the purport of it, is it not?—A. No, I do not think so. The purport of this dispatch is simply to tell the listener that the British Prime Minister has to-day made a declaration which is significant, because of the fact that he says the British government will not enter into a blockade against the country without knowing before-hand the attitude of the United States. At that particular time, if you will recall—

Q. Was that the intention? Was it the intent to convey that idea?—A. That is what Prime Minister Baldwin presumably sought to convey.

Q. I asked you if the interpretation which you wished to give was that, in case war should occur, and there was then some prospect of war, United States shipments to Italy would not be blockaded by the British Navy?—A. No. We did not mean to say that. That is a natural inference which the listener may draw. But we did not seek to tell a listener anything to that effect. That is, the readers and listeners deduce their own opinions. We told them what he had said.

Hon. Mr. HOWE: Excuse me for interrupting, but are we not a little aside from the point? The Canadian Press appeared here and asked for better facilities for broadcasting Canadian Press news, which they were quite willing to furnish free if they had facilities to broadcast it. It was suggested that the telegraph companies, I believe, came forward with an arrangement that they would put in teletypes for the distribution of this news provided the radio station would rent them; and Canadian Press seemed to think that would satisfy the situation. What is your quarrel with that position? We are not trying to stop your broadcasting from going on, as I understand it.

WITNESS: My contention is that if only that is done and there is no extra duress or discrimination against other services created, there is nothing essentially wrong with that.

Hon. Mr. HOWE: There has been no suggestion of that, as far as I know. I suppose that is a matter for the Radio Commission. But as far as I know no steps have been taken to bar any of those services.

WITNESS: There is implied in the plan an effort to get broadcasters to use only Canadian press news, because it will be so much more abundant and so much more inexpensive that they will have no need for other services. Therefore it is unfair trade competition.

By Mr. Martin:

Q. Is not the real difficulty you have, in respect to the question put by Mr. Howe, that the Canadian press are willing to supply this service free, and you do it for profit?—A. I think that even with the total numbers of delivery, and no charge for service, that it will still only be a few dollars less expensive than our service.

MR. CAMPBELL: That is a private matter, of course.

WITNESS: Well, it varies according to the situation. It goes as low as \$5 a week and goes as high as \$1,500 a week. But in this country there are no such powerful commercial stations and therefore the rate is necessarily generally very low. But we hold if these extra facilities are to be set aside for the Canadian press in a preferential way—that is the idea and the meaning of this plan—we feel that it would be discrimination to withdraw those facilities and those preferential measures from other press services.

By Mr. Campbell:

Q. Is it not customary for the large news agencies to have an editor or one of the staff who would probably edit the news going to different countries? For instance, the Associated press in New York have a representative of the Canadian newspapers there or the Canadian press?—A. It is almost uniformly not the case. I myself have been employed for five years in New York, engaged in transmitting news to the rest of the world on behalf of one of the biggest press services in the world. I have been employed on the other side of the Atlantic in the exactly reverse process of sending news from Europe and Asia to the United States, Canada, South America, Asia and Africa. It takes a certain type of training, of mentality, not nationalism. It would be a very serious impairment of a man's ability if he had to be national.

Q. What is the so-called British United Press you mentioned?—A. The so-called British United Press is a subsidiary of the United press. To my knowledge, it is owned and operated by them.

By Mr. Martin:

Q. I put the question to you a while ago and you said the difficulty was that it would require too much help and consequent expense; you, for instance, in the shaping of this news and giving it to the Canadian public, while you have Canadian news gatherers you have no Canadian editors?—A. No.

Q. For instance, the Canadian press have a man at Reuters, and I imagine they must have one in the other press services—the Associated Press, for instance?—A. Yes, of course. Because he is selecting supplementary news of special Canadian interest. He is not bothering with general news. That is being delivered automatically by the teletype. He is only augmenting it.

By Mr. Campbell:

Q. Your service gives the same service to all countries, does it?—A. All countries—Cuba, Hawaii, Alaska.

By Mr. MacKenzie:

Q. Not to Britain?—A. Not to Britain, but to South Africa.

Q. The British Broadcasting Company do not employ you?—A. No. We never sought to. We have no interest in Britain.

By Mr. Campbell:

Q. Any other European countries?—A. No, there is no other European country, because we have not made any selling efforts.

[Mr. Herbert Moore.]

By Mr. Martin:

Q. I understand that no Associated Press news, for instance, comes into Canada until it goes through Canadian Press editorship?—A. That is entirely inaccurate, I am sure.

By Mr. Campbell:

Q. You are not sure about that?—A. I am sure.

By Mr. Martin:

Q. I am advised, on the best of authority, that it comes through Canadian press editorship located in New York.—A. Canadian press news which Canadian press itself gets from Associated Press in New York and transmits to its own clientele over its own leased teletype system is probably all carried through Canadian hands. But it has no knowledge that Associated Press is selling its leased teletype service directly to Canadian newspapers by loops across the border and the full service flows. It is true of I.N.S. and I am sure it is true of United Press.

By Mr. McIntosh:

Q. Editorship would be left entirely out of it. The newspapers have to do their own?—A. Yes, where it properly belongs and where it can only be used ethically and with proper consideration for the listener or reader.

By Mr. Campbell:

Q. For how long a broadcast is your despatch that would go out on each occasion?—A. Figuring the average announcer's speed, I should imagine about 13 or 14 minutes, so many times a day, if all of it was utilized.

Q. Each station can delete any part of it and use their own views?—A. Oh, yes; they do.

Q. You do not force them to use yours?—A. We have not a thing to do with their selection. It is our knowledge that they rather use more than one-third of it.

By Mr. Martin:

Q. Arising from what you just told me in answer to my last question, is it not a fact that the Canadian Press had their own wires running directly into New York in the office of the Associated Press?—A. Yes. I am sure that is the case. But I am sure likewise that the Associated Press and any other American Press service wires cross the border at one or two points and go direct to clients. I am sure of that.

By Mr. McIntosh:

Q. We have representative press men in New York and Washington, and we have had despatches from them through the daily press and in some of the weekly press from time to time. They are among the most learned, instructive and accurate you can get?—A. Sure. They are special despatches and interpretative despatches.

Q. They are special men, writing special articles?—A. If I know of such a service, they are an interpretative service.

Mr. CAMPBELL: That is not what we are talking about. We are talking about the matter of having Canadian help on news that comes through the news agency.

Mr. MCINTOSH: What you want is to get the same thing done in your service.

Mr. CAMPBELL: Yes.

WITNESS: We have long ago prepared plans to do the same thing for Canadian broadcasters. We have assembled the news gathering operations, and stand ready to inaugurate a completely Canadian service in which no foreign news, no American news will be included; it will be edited, gathered and delivered even by Canadian facilities. We have not been able, obviously, to inaugurate such an ambitious service so rapidly. We have been building towards this slowly. We have been building up to give Canadian broadcasters a standard service which would be prepared of specially selected, custom-built Canadian news subjects.

Hon. Mr. CAHAN: I think we should have the rest of the brief.

The CHAIRMAN: Yes.

WITNESS:

The first paragraph of the actual dispatch did not mention the word "war" nor did it include the phrase "unless assured of the United States support." The version of what was broadcast as part of the Transradio program supplied to your Commission was, therefore distorted and bore no real resemblance to what was actually broadcast. The interpretation of the significance of Baldwin's statement as contained in the second paragraph was scrupulously impartial and so definitely fair to the British viewpoint that no charge of anti-British propaganda could possibly be maintained on this point.

The man who wrote that particular dispatch knows British affairs as well as any American ever gets to know British affairs. He worked for three years in London, regularly assigned to 10 Downing street, the Foreign Office and the British Parliament itself. He knew the meaning of Baldwin's statement and the manner in which it was handled could not possibly be construed as anti-British, pro-American, anti-Italian or partial to any country. On the contrary, the dispatch in question was fair to both the American and British viewpoints.

It should seem strange to many that the Canadian Press has been girding itself as the sole champion of things British in your progressive Dominion. If anti-British propaganda is being spread in Canada by Transradio, why does not Reuters itself show some concern? We have been receiving Reuter news for more than a year and never once have we had a complaint from them of any anti-British emphasis. Reuters' representatives in the United States probably listen every day to Transradio news broadcasts in the Metropolitan New York area, and they surely must have been able to know whether our news dispatches were anti-British. They have not complained because Transradio news is scrupulously impartial, and the real reason why the Canadian Press has raised this spectre is their insidious campaign to discredit Transradio.

By Hon. Mr. Cahan:

Q. Has Reuters its head office at Paris or London?—A. London, but they have a very large office in New York and in all the principle capitals.

The question of interpretation of so called "spot news" has been stressed by representatives of the Canadian Press during previous hearings. Expert testimony would reveal that news material completely devoid of interpretation would not be intelligible. Newspapers every day interpret the news according to their own particular views and in this way establish their editorial distinctions. In contrast to this practice, however, radio stations cannot editorialize on the news nor interpret it according to any particular bias. The very nature of radio news makes it impossible for news to be interpreted editorially on the air. News dispatches written for broadcast are by necessity so terse that editorial emphasis could not be inserted even were it permissible.

[Mr. Herbert Moore.]

The broadcast of the news of the day is inherently different from the publication of the daily news and the question of interpretation need not be regarded by your commission as a grave problem. Ample safeguards exist and there is always the question of public disinterest in editorial matter to serve as an effective check on propaganda.

The president of American press associations serving Canadian Newspapers and the Canadian Press itself has been well established. The same precedent should be freely permitted to establish itself in the radio news field. The inter-exchange of news, like commodities, is a reciprocal function and the people of the two countries should be permitted to make their own choice of what news they want to listen to and to read. Foreign press services should be encouraged to enter the Canadian market even as the Canadian Press is selling its news in the United States. Governmental interference or control of news for publication or news for broadcast should have no part in this hemisphere and your Commission should consider very seriously whether or not the Canadian people will be best served by the preservation of the private news monopoly which now exists.

The company of which I am president is spending two-thirds as much money to collect its Canadian news as it receives from the sale of its news service in Canada. Our Canadian business is very modest. It has grown slowly due to the campaign of intimidation and misrepresentation waged against Transradio by die-hard Canadian publishers. Despite these handicaps Transradio will continue to expand in Canada because its news service is the most modern in the world. Moreover, Transradio news is the fastest and most accurate service available to Canadian Broadcasters.

The plan which has been submitted to you by the Canadian Press would establish a dangerous precedent, benefit the publishing interests at the expense of the radio industry, deprive the Canadian people of an additional source of world-wide news, and inevitably burden the Canadian taxpayer. Free and open competition in Canada between Canadian and American and foreign news services, is the best safeguard to the freedom of your Press, whether it be in the newspaper field or the radio field.

By Mr. Ryan:

Q. Then you judge that the Canadian Press was desirous of— —A. I see it very clearly and it is so interpreted generally, a plan to make it impossible for other press services, not only Transradio, but the other two or three press services that are serving radio stations in this country to make it impossible for them.

By Mr. Campbell:

Q. What other services are there competing?—A. The United Press, I am sure, and the International News Service which serves radio stations in this country.

By Mr. Ryan:

Q. Their proposition was that in case of a service such as yours, if some of the news which is not considered authentic or right, that they should have the opportunity of presenting the Canadian viewpoint afterwards?—A. That is not my understanding. We have long waited for them to do what we considered the right thing by the Canadian broadcaster, but it is only recently that the plan to accept the news service has been discussed.

By Mr. Campbell:

Q. Could this happen in the case of a dispatch of yours going to a station—and I base this question entirely on Mr. Livesay's evidence and your own—that such a dispatch as we have just been talking about might come about by the news editor or the station manager deciding to put his interpretation on it and it might go over the air as Mr. Livesay has said? Is that possible? I mean, do you make a check on that?—A. Our contracts prohibit the broadcast of news gathered from other sources than recognized—

Q. No, no, but supposing they used your dispatch as the basis, as you did with Reuter's?—A. We have a clause in our contract which specifies that dispatches cannot be altered or distorted. They can be re-written to accord with later developments which we send possibly by telegraph a few hours after the dispatch was sent, mainly because it was being superceded.

By Hon. Mr. Cahan:

Q. Should not the editing of dispatches be made carefully in your office rather than to trust, as you suggested, to the editing at eight or ten different broadcasting stations in Canada?—A. It should be done in both places and generally is done.

Q. As a matter of fact, who are the men in these different stations in Canada? Do they have men who are competent to do editing?—A. To my knowledge most of them, if not all of them, have been for years employed by Canadian newspapers or press services.

By Mr. McIntosh:

Q. That is, your broadcasters?—A. In Canada, their own news editors who are engaged in locally gathering news which they broadcast. We do not furnish the station with local news, unless it coincides with national interest, but each station gathers a great deal of local news and simply broadcasts such news as a separate program of five or ten minutes.

By Hon. Mr. Cahan:

Q. We are dealing with your broadcasts. They cannot, as I understand it, re-edit or amend the broadcast which you furnish?—A. They are entitled to scrap any dispatch we send altogether.

Q. They cannot scrap a part of it?—A. Oh, yes any part. They can delete any paragraph.

Q. Could they delete anything except what Mr. Baldwin said?—A. Absolutely.

Q. I understood that was not in accordance with your contract.—A. They are entitled to introduce their own separate commentation in other programs, but not to insert their own interpretation in the first paragraph, no, but to delete the interpretation absolutely. We have no way in the world of controlling the broadcast of news that we deliver. It is none of our business whether the station broadcasts three items or thirty items. They buy it. If they find it undesirable, they can drop any part of it, but they cannot distort it. They can rewrite it if developments have changed the story and we have separately sent them a message about it. A dispatch may be sent of a man who is going to leave Le Bourget to fly around the world. He may leave and we may send them telegraphic advice saying that he had left, and it may be altered later to accord with developments.

By Mr. McIntosh:

Q. That is with regard to a news item fabricated by yourself in New York and transmitted to your own men in Canada?—A. Yes.

[Mr. Herbert Moore.]

Q. What about a news item that they gather. Where does it go first?
—A. It goes from their own news editor.

Q. Then it is sent out for national consumption?—A. No, they do not serve us.

By Mr. Ryan:

Q. Must it go that way?—A. No.

Q. Have you a correspondent in Halifax? Must his dispatch to you go through the news editor in Halifax to some paper, or can he send it direct to you?—A. He sends it direct to me and if he is serving locally it goes through the editor there.

By Mr. McIntosh:

Q. He does that before he sends it to you?—A. He serves his own local client first. He would not submit any dispatch to us for any local editor, I am sure. The two functions are similar to the two functions in newspaper news. The local staff covers its own news. Presumably they do or they do not broadcast it, because we do not supply it. Our world news comes to us and we have a superabundance of it, then they select what they want. You will find two radio stations in the same town making different selections, even as two members of the A.P. may bring out a very much different front page with the same news because they have selected certain things that the other did not consider news worthy. It is local function, the selection and blending of local and foreign news.

By Mr. Campbell:

Q. That same condition would prevail even in a Canadian Press?—
A. Yes.

By Mr. McIntosh:

Q. Would you say the interpretation you put on the statement of Prime Minister Baldwin would lead to a more cordial or friendly foreign policy between the countries?—A. We could not hope that it would produce such an important effect, but I am sure that the average listener hearing that dispatch who knew anything about what had gone before would feel that it was a turn for the better; that the two countries were moving towards the Italian problem with great caution; that the British Government was not doing anything without beforehand knowing what was the American policy. At that time everybody was thinking of war, the question of a blockade had been freely mentioned, Mussolini had announced that such a blockade would lead to war, and everybody was watching the United States government to see what they would do.

Q. Can you truthfully say that was really your objective when you wrote that statement?—A. It was the objective, according to my own knowledge of the American and British relationship, and, to my mind, was fair to both sides and showed American people or pro-British people that the relationship of the two countries had reached an important development.

Q. You wanted your statement to be constructive rather than destructive?—
A. Constructive, absolutely. And the dispatch ends with the emphasis where it should be:—

Therefore, Baldwin's declaration to-day marks an important milestone in the relations between Great Britain and the United States.

I hold that that dispatch is fair and historically accurate.

By Mr. MacKenzie:

Q. I entirely agree with your interpretation, and I did from the first, but it is diametrically opposed to the thesis on which you started out; that you did not send interpretation, that you sent facts. That is my whole objection to newspapers to-day—they interpret for me the facts when I want to interpret them myself, and their interpretation is not always mine.

By Mr. McIntosh:

Q. You still stick to your interpretation statement?—A. I hold that this is the insertion of background matter. The editorial method would be to say that this is good or this is bad, this is constructive, or this is not constructive.

Q. Your position is this: that you defend that statement of interpretation, do you not?—A. Yes.

Q. Then your argument is that if there was any danger in the viewpoint expressed it should be left to the editorial department of the paper to offset that?—A. No, I did not make myself clear if I gave that impression. I hold that this is the addition of essential background material to complete the clear meaning of what the Prime Minister was seeking to convey, and that the question of interpretation was not in the mind of the man who wrote that dispatch. He was only making it mean what the Prime Minister obviously meant it to mean; that the British Government was insisting on knowing beforehand what the American Government would do before it would enter into a blockade, and we touched upon what had obviously occurred in history when a knowledge beforehand did not exist. In conclusion, we say that this is an important milestone in the relations between Great Britain and the United States. Now, that is hardly interpretation. I would say the general press service are not content with anything so mild as this, so utterly fair and so utterly uneditorial. I have for years worked with some of the leading press services, and I know they would never have been content to handle that dispatch in that way.

By Mr. McIntosh:

Q. There is this to it, Mr. Moore, you know that one outstanding attribute of literature is its suggestiveness. It will suggest one thing to you and another thing to another man. That is true, is it not?—A. Yes.

Q. All right, now, if it suggests a certain meaning to me and I am a newspaperman, I am entitled to write a statement from the point of view of my interpretation?—A. Yes.

Q. We are bound to have varying points of view. You have one in New York and our Canadian Press and some other ones here have another; how are we going to harmonize them?—A. I do not think they can be harmonized except locally by the client or dropping it out.

Q. Your contention is not to leave it alone, but to leave it to the intelligence of the Canadian people? Is that not your argument?—A. Absolutely. When the Canadian radio industry is able to finance a separate organization other than that which it already has, why, we will seek to set it out with their own specifications.

By Mr. Dupuis:

Q. Have you any means at all of controlling the accuracy of news received before it is broadcast?—A. Yes, we always operate on the basis of questioning a dispatch if it is too sensational or improbable or if it comes from a source that has proved itself to be unreliable. Where the correspondent is an organization supplying dispatches that have proven previously to be competent and accurate, we accept the dispatches unless they are improbable, then we check them.

[Mr. Herbert Moore.]

Q. Do you know which company issued the news of the death of the King of England three hours before the actual dispatch?—A. I do not know the exact name.

Q. Was it not your own company?—A. No, no, Trans Radio definitely issued no unofficial announcement, no report, no rumour, until the actual official announcement was made, which we received ahead of any other service in the Western Hemisphere. Some organizations not only broadcast and distributed to newspapers the premature report of the King's death, but they did likewise on the death of Kipling several weeks before, and I think it was forty minutes before the erroneous report of Kipling's death was corrected.

By Mr. Ryan:

Q. Did you handle the Moose River tragedy?—A. We handled it very briefly. For instance, the story which caused so much displeasure at Halifax about stimulants being injected in the men under the earth was widely distributed and copyrighted in the United States, but we did not carry it.

Q. You say you did not handle anything along that line?—A. We carried very factual information, briefly about 200 or 300 words four or five time a day.

Q. Had you a correspondent on the spot?—A. Absolutely.

The CHAIRMAN: Mr. Dunlop, who was in the stand the other day, made reference to a regulation from the Department of Militia, the King's Regulations and Orders. Mr. Cahan got a copy of this regulation and asked me to have it put on file. It reads as follows:—

1066. All correspondence in connection with band engagements will be conducted by the band president. An engagement is only to be entered into subject to the exigencies of military duties. A clause to this effect should be embodied in any form of contract or agreement made. Engagements are not to be sought through the public press, nor will they be arranged for or accepted through musical or other agents.

An engagement is not to be accepted on terms which are lower than those which would, in the same circumstances, be offered to a civilian band, or in order to replace a civilian band which is on strike.

Mr. R. K. CARNEGIE: Mr. Chairman, before you close, probably the Canadian Press will wish to make some reply to the evidence that has been given. I am not sure until we look it over, but I presume we will have the opportunity of doing so?

The CHAIRMAN: I do not suppose we will discriminate against the Canadian Press or any other press.

(Whereupon the committee adjourned until 11 o'clock a.m., Friday, May 8, 1936).

APPENDIX No. 3

PROPOSALS OF THE CANADIAN RADIO LEAGUE FOR THE
ORGANIZATION OF BROADCASTING IN CANADASUBMITTED TO SPECIAL PARLIAMENTARY COMMITTEE ON
THE CANADIAN RADIO COMMISSION

Ottawa, May 7, 1936

SUMMARY OF ARGUMENT AND RECOMMENDATIONS

1. Principle

The basic principle of the Broadcasting Act of 1932 should be retained. This is the principle of a single national authority to control, for purposes of co-ordination, all broadcasting in Canada, both public and private, and ultimately to own a monopoly of the high-power chain stations.

This principle, as every investigation from the Aird Commission on, has reaffirmed, is the necessary principle on which Canadian radio must be organized if it is to be utilized in the widest interests of Canada. Responsible opinion is opposed to any departure from it.

2. Method

Effective public service broadcasting requires expert, unified management, protected from partisan or regional pressure by a representative governing board of the highest integrity, and infinite flexibility. The present set-up has not ensured all of these conditions to a sufficiently great extent.

A public corporation, modelled on business lines, with a broadcasting expert as general manager and a representative and non-partisan board of directors or governors, would be better calculated to ensure successful public service broadcasting in Canada. Such a corporation should not be conceived as a civil service department, but should be responsible to parliament in matters of major, as distinct from day-to-day, policy.

COMPETITION IN PROGRAMS

An outstanding feature of the Aird proposals might be termed "public ownership of stations, private enterprise and competition in programs." The proposed corporation should encourage over its national hook-up competition between its own programs, those imported from the United States, Great Britain and elsewhere, and those of high-class commercial sponsors. The latter should be encouraged by the corporation subletting its wire network at rates lower than those hitherto available.

LONG TERM TECHNICAL SCHEME

In order to devise a long term plan of co-ordination and construction, the corporation should immediately conduct a survey of broadcasting stations and coverage in Canada. Until such a survey is completed, no extension of power or permission to construct new stations should be granted.

PROPOSALS OF THE CANADIAN RADIO LEAGUE FOR THE
ORGANIZATION OF BROADCASTING IN CANADASubmitted to Special Parliamentary Committee on the
Canadian Radio Commission

Introductory—The object of this brief

I. The Canadian Radio League—Proposals and Support

- (a) Special Parliamentary Committee of 1932.
- (b) Special Parliamentary Committee of 1934.
- (c) Special Parliamentary Committee of 1936.

II. Considerations Involved in a Reorganization

- (a) Considerations of principle.
- (b) Considerations of method—Comments on Radio Commission.

III. A Plan of Reorganization

- (a) Basic principle reaffirmed.
- (b) Details of a reorganization.

*IV. Its Importance to Canada**V. Alternative Proposals*

- 1. Divided control.
- 2. "The Ashcroft Plan."

VI. The Real Issue

APPENDIX

- 1. Excerpts from recent editorials to illustrate points in text.
- 2. Special statements.
 - (a) The Trades and Labour Congress of Canada.
 - (b) Universities' Conference.
 - (c) United Farmers of Alberta.
 - (d) United Farmers of Canada (Saskatchewan).
 - (e) The Canadian Legion of the B.E.S.L.

PROPOSALS OF THE CANADIAN RADIO LEAGUE FOR THE ORGANIZATION OF
BROADCASTING IN CANADASubmitted to Special Parliamentary Committee on the
Canadian Radio Commission

INTRODUCTORY—THE OBJECT OF THIS BRIEF

We have been authorized by the Canadian Radio League to present the case against any departure from what we believe to be the necessary principle of a national broadcasting system, and in favour of a revision of the method of such a system along the lines originally proposed in 1932 and 1934.

To this end we will briefly review the proposals and support of the League and discuss the main considerations which should govern a reorganization. We then propose to outline in some detail a plan of reorganization to suit present circumstances and financial exigencies, and to indicate the paramount importance of such a reorganization to Canada. We also propose to indicate the implica-

tions of certain other proposals which are being made, and in conclusion to attempt to define what appear to us the real issues at stake.

I. THE CANADIAN RADIO LEAGUE—PROPOSALS AND SUPPORT

(A) *Special Parliamentary Committee of 1932*

To those who have perused the Minutes of the Special Parliamentary Committees of 1932 and 1934 the Canadian Radio League needs no introduction. At the Committee of 1932 the League was mainly responsible for the body of evidence and opinion which impelled that Committee unanimously to report in favour of public ownership and control as the principle upon which Canadian broadcasting should be organized.

The scheme advanced by the League at that time was based upon the recommendations of the Aird Report, though modified to suit altered circumstances. The League agreed with the Aird Commissioners that Canadian radio, to remain Canadian, must be established on a national public service basis, through the instrumentality of a statutory corporation with special powers to control, for purposes of co-ordination, all broadcasting in Canada and endowed with sufficient revenues, chiefly from a three dollar license fee, to acquire and operate a national chain of radio stations.

The League modified the Aird recommendations in two important respects. They stressed, more than the Aird Report had done, the desirability of local stations, whether privately or locally owned, for matters of local interest and as reservoirs of talent for the national system.

They outlined a longer term (five year plan) for the construction and acquisition of the national chain stations to fit the altered circumstances of public finance.

A special merit of the Aird scheme was that it retained the valuable principle of competition in programs, while avoiding costly and unnecessary duplication of physical facilities.

"Competition in Programs."—The Aird Commissioners proposed that the programs of the public corporation would compete with those of high class commercial sponsors and relays imported from the United States, Great Britain and elsewhere to provide the Canadian public with the finest entertainment available. The technical scheme thus envisaged might be summed up as "public ownership of stations; private enterprise and competition in programs." The Aird Commissioners pointed out the absurdity, as well as the impossibility for Canada with few wavelengths and meagre revenues, of duplicate high-power chains. They emphasized the paramount importance, if we hoped to provide Canadian service and coverage, of concentrating available revenues, both from license fees and advertising, and of applying them to programs rather than to an unnecessary duplication of high-power facilities.

The detailed plan submitted by the Canadian Radio League to the Parliamentary Committee of 1932 may be found in No. 13 of the Minutes of that Committee. Similar views were put forward by the following important witnesses:—

The Canadian Legion (pp. 413, 418); The Trades and Labour Congress of Canada (pp. 405, 407); The National Council of Women (pp. 408-413); The I.O.D.E. (p. 653); Dr. Clement Hambourg for the Association of Professional Musicians (pp. 423 and 426); C. A. Bowman and Augustin Frigon (Aird Commissioners) (pp. 63, 100); Sir John Aird (pp. 493-511); Professor E. A. Corbett, Director of Radio, University of Alberta (pp. 256, 265); J. F. Garrett, for United Farmers of Canada (pp. 437-445); Professor Douglas Clarke, Dean of Music, McGill University (pp. 431-435); the Honourable N. W. Rowell, for himself and Sir Robert Borden (pp. 516 and 519).

A perusal of the Index of this Committee (pp. 721 and 728) would show that a vast majority of written submissions also favoured a public system. In addition the League brought Dr. Joy Elmer Morgan of the National Radio Committee, Washington, D.C. (pp. 469-490) and Major W. E. Gladston Murray, Canadian-born Director of Public Relations of the British Broadcasting Corporation, as expert witnesses.

We should like to refer you especially to the superb statement made by Major Murray (pp. 259-329) as it undoubtedly marked a turning point in the Committee's deliberations.

There is no doubt whatever that at that time Canadian public opinion was virtually unanimous in favour of a public service system. Virtually every element in Canadian life, both French and English speaking, actively supported the establishment of Canadian radio on a public service basis:—

National, Labour and Farm Organizations.—The largest national associations, labour and farm organizations, including the Canadian Legion of the British Empire Service League, the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the New Brunswick and Alberta Federations of Labour, the United Farmers of Alberta, Canada (Saskatchewan) and Manitoba.

Women's Organizations.—Leaders of women's organizations and women's organizations such as the National Council of Women, the Imperial Order Daughters of the Empire, Hadassa, the United Farm Women of Alberta, the Canadian Federation of University Women.

Churches.—The heads and other leaders of Roman Catholic, Anglican, United, Baptist and Presbyterian Churches and the Social Service Council of Canada. Especially significant perhaps was the support given the League by leaders of the Roman Catholic Church in Quebec—His Eminence the late Cardinal Archbishop Rouleau, His Eminence Cardinal Archbishop Villeneuve, Monseigneur Camille Roy of the University of Laval and Monseigneur Piette of the University of Montreal.

Education.—The Presidents of sixteen Canadian universities, eight provincial Superintendents of Education, the Universities' Conference and the Royal Society of Canada.

Business.—Bank presidents, Boards of Trade and Chambers of Commerce from Halifax to Vancouver, Insurance and Trust Company heads, business and financial leaders.

Newspapers.—Eighty leading Canadian newspapers.

A complete list of this support may be found in No. 13 of the Minutes of the 1932 Committee.

(B) *Special Parliamentary Committee of 1934*

In 1934 the League re-stated the proposals and support above outlined. We took that opportunity to indicate what we believed were the fundamental weaknesses in the set-up of the present Commission. We pointed out that a broadcasting commission charged both with the formulation and execution of policy was an unbusiness-like arrangement.

We advised the separation of these functions, management to be entrusted to a broadcasting expert as General Manager; policy to be entrusted to a non-partisan board widely representative of the public.

(C) *Special Parliamentary Committee of 1936*

The proposals for a reorganization which we are going to make to-day are in their essentials the same as those outlined above, though obviously changed circumstances and experience demand many changes of detail.

We believe, however, that these proposals are basically sound and that the experience of the last four years gives them a fresh validity. A recent

canvass of the view of the organizations, individuals and newspapers which have supported the League indicates the general feeling that had the type of set-up advocated by us in 1932 been adopted, the present situation, where the very principle of a public system appears to be at stake, could not have been possible. Our canvass reveals, however, no support for the contention that the principle of a public system has failed.

There is no doubt whatever that responsible public opinion, while recognizing the need for some revision of method, would be opposed to any departure from the principle of public ownership and control. Of the organizations, individuals and newspapers which comprise the main bulk of support for a public service system, none have indicated any change of view on this matter of principle. Some have asked us to lay their views in detail before this Committee, and with your permission we should like to include in the Appendix statements from the Canadian Legion, the Trades and Labour Congress of Canada, the Universities' Conference (which comprises the heads of Canadian universities) the United Farmers of Alberta and the United Farmers of Canada (Saskatchewan). We should also like to include in the Appendix excerpts from recent editorials which serve to illustrate certain points in this brief.

Many prominent individuals, both French and English speaking, associated with the League on its committees or Council, have also especially requested me to lay their views before this Committee. I have some thirty of these and as they all stress the same essential points, I shall simply read a statement from the Honourable N. W. Rowell, one of the original members of the League, which I think sums up the views of all the others:—

I was a supporter of the Canadian Radio League in the representations it made to the Parliamentary Committee four years ago in favour of national ownership and control of radio broadcasting in Canada. I am still firmly convinced that such national ownership and control is most important in the national interest.

I sincerely trust the proposed legislation will not interfere with or impair full national control, and that the Parliamentary Committee considering such modifications as experience may show to be necessary, will keep in view the principles of the Aird Report.

With regard to French-speaking opinion, I shall ask the Reverend Father St. Denis, O.M.I., of the University of Ottawa, who has taken a special interest in certain aspects of our work in Quebec, to make a statement at this point.

Sir John Aird's Views

Allow us at this point also to indicate the present views of Sir John Aird, President of the Canadian Bank of Commerce, who was Chairman of the Royal Commission which in 1929 produced what is popularly known as "The Aird Report."

In a recent discussion of the present situation Sir John strongly expressed the view that had the carefully worked out proposals of the Aird Report for an independent public corporation been adopted in 1932, there would be no problem to-day. These proposals, Sir John pointed out, were based on well-tried experience. He believes that in essentials they are as applicable to-day as they were when recommended, and would constitute a solution of our present difficulties.

Sir John especially requested us to stress the paramount importance of a strong national broadcasting system in view of the imminence of television. He has long made a special study of television and believes that the nation must take vigorous steps to see that this new instrument does not become a vehicle of purely commercial exploitation.

To sum up, I think it will appear clear to all that Canadian opinion, so far as it is represented by the Canadian Radio League, while for the main part sympathetic to a deviation of the broadcasting commission along more business-

like lines, is equally insistent that the basic principle of unified control and national ownership, as contained in the Broadcasting Act of 1932, should be maintained in its integrity.

II. CONSIDERATIONS INVOLVED IN A REORGANIZATION

(A) CONSIDERATIONS OF PRINCIPLE

Basic Conditions of Canadian Broadcasting

We do not believe that the principle of a public system can be at issue at the present time. The alternatives to public ownership and control—private ownership with licence fee subsidies, commission control without ownership, competing public and private chains, private monopoly—have been rejected as impracticable or undersirable and the basic conditions of Canadian broadcasting remain essentially the same. They are, firstly, Canadian radio is a natural monopoly; secondly, advertising, by its own admission, provides neither the revenue nor the motive for Canadian coverage or program service, and thirdly, unless deliberate steps are taken aggressively to establish public ownership of a trans-Canada network, it will only be a matter of time before the Canadian air will be but the advertising satellite of the great American chains.

(1) *Radio a Natural Monopoly*

It is not difficult to show that radio is a natural monopoly. Of the channels on the broadcast band, Canada is entitled to use only 6 exclusive ("clear") channels. She has the right to share 8 channels with the United States. (Actually she is using additional channels, but her use of these can be challenged). There is, therefore, a limit to the number of high-power stations which can be built in Canada. Unlike publishing, radio does not offer the possibility of unlimited competition. Anywhere it is an obvious natural monopoly and thirty countries have recognized it as such by constituting either public or private monopolies. In Canada, with few wavelengths and great distances to serve, the fact is more than obvious, as Sir Edward Beatty, arguing for a subsidized private monopoly, admitted to the Parliamentary Committee of 1932.

(2) *Advertising Insufficient Basis of Finance*

To avoid any appearance of exaggeration, let the figures speak for themselves. In 1932 analyses based on Department of Marine figures showed that outside of the main advertising districts of Toronto and Montreal, where fully one-half of the total broadcasting power in Canada is concentrated, only about two out of five Canadians could get Canadian programs regularly at all. If they did the fare was, taking the averages, chiefly gramophone records. For the whole of Canada it was shown that Canadian stations effectively covered only one-third of the settled area, and of the meagre six hours and fifteen minutes daily average of all Canadian stations, only two hours and sixteen minutes were programs using any original talent whatever.

To-day the situation is basically the same, although, of course, the Commission has increased the number of Canadian programs. It has, however, been financially unable to build many stations and although the power of private stations has been allowed to increase, we still find the Toronto and Montreal districts accounting for one-half the total power, while the Maritimes with only 5,350 watts power or 6 per cent of the total, British Columbia with 2,500 watts or 3 per cent, and Saskatchewan with 3,200 watts or 4 per cent, are obviously not being adequately served.

(3) *Influence of United States Advertising Chains*

The third condition of Canadian broadcasting, the existence in the United States of two great advertising chains which regard Canada as an integral

part of their advertising market, needs no demonstration. That they were already well on the way to dominating the Canadian field, that their relay stations comprised one-third of the total power of all Canadian stations and utilized four of the best wavelengths, were facts which forced the Committee of 1932 to recognize whence, on an advertising basis, Canadian radio must ultimately go. Even to-day over one-quarter of the total power of all Canadian stations and three of our best wavelengths are being utilized by the relay stations of the American chains.

The deductions which every impartial investigation, official or otherwise, has drawn from these facts are, first, that licence fees must in Canada provide the primary basis of finance; second, that radio is too vital a means of national communication to be allowed to become the prerogative of private commercial interests in another country; and third, that being a natural monopoly it can only effectively be controlled by a single national authority.

All were agreed that the consequent principle upon which Canadian radio should be organized is the principle of a single national authority to control, for purposes of co-ordination, all broadcasting in Canada and ultimately to own a monopoly of the high-power chain stations. The present Parliamentary Committee, if it wishes to retain radio for Canadian purposes, will similarly be obliged to reiterate that principle, whatever changes in method it may see fit to recommend.

(B) CONSIDERATIONS OF METHOD—COMMENTS ON RADIO COMMISSION

There is no doubt that the organization set up under the Broadcasting Act of 1932 contained serious weaknesses from the outset and that the inadequacy of the Commission in carrying out the scheme proposed in 1932 was largely due to a faulty set-up.

As experience in Great Britain and elsewhere has shown and as the Aird Report indicated, the conditions of successful public service broadcasting are expert management, free from partisan or community interference, together with ultimate parliamentary control over major, as distinct from day-to-day policy. The Commission has not fulfilled all of these requirements. A commission of three required both to formulate and execute policy is obviously an unworkable arrangement. Instead of unified, expert management, there has been divided, inexpert management. There have been, in fact, three general managers instead of one—a situation no major business could long survive. The results have been, as might be expected, a lack of departmentalization and an unsatisfactory performance in certain departments.

Our comments on the Commission's work fall into four main categories: wire arrangements, public relations, technical and programs.

(1) *Wire Arrangements*

The Commission's present wire contract is with the Canadian National and Canadian Pacific Telegraph Companies, which pool their trans-Canada networks for this purpose. The service involved is for six continuous hours between 6.00 p.m. and 12.00 midnight, time outside this period being bought at ordinary commercial rates. The cost of this service is, so far as can be determined, approximately \$375,000 per annum.

The intention of the Aird Report and of the Parliamentary Committee of 1932 was undoubtedly that the Commission should be in a position to sublet, at rates below those commercially obtainable, any part of the contracted period not being utilized for Commission programs, to high-class national sponsors. In this way the triple purpose could be served of increasing the number of good national programs, providing the Commission with a subsidiary source of revenue, and introducing the valuable element of "private enterprise and

competition in programs." For example, if an hour's wires could be offered to The Imperial Oil, Neilson's, or any other of our former national sponsors, at, say \$800 instead of the commercial rate of, say \$1,200, they could undoubtedly be induced to go on the air again with the high-class programs they formerly put on.

Q. This, however, the Commission has been precluded from doing by its failure to obtain such a subletting privilege in its wire contract. By the present arrangement it is obliged to charge such advertising sponsors the full commercial rate and to rebate the full amount received to the three wire companies in certain agreed proportions.

It is also submitted that the cost of the wire service now being supplied is exorbitant and that a twelve or sixteen hour service could be obtained at a rate not greatly exceeding the present one, with the privilege of subletting to commercial sponsors of national network programs.

(2) *Public and Station Relations*

The public relations of the Commission has perhaps been its worst feature. No serious attempt appears to have been made to explain to the Canadian public the purpose and scope of its broadcasting, or secure the goodwill and co-operation of the people of Canada.

(3) *Technical*

The Commission cannot be unduly criticized for its meagre success in carrying out the technical scheme entrusted to it in 1932. Undoubtedly financial considerations have been the chief reason for this. At the same time we cannot help expressing regret that no effective steps have been taken to co-ordinate the duplication of very small stations in British Columbia to give that province the coverage it deserves; that the promise of a high-power station in the prairies was not implemented; that existing duplication in Montreal has merely been increased and that no adequate technical program has been devised with regard to the Maritimes. We regret, also, that serious charges of political interference with the Commission's technical program in Ontario could have been made on the floor of the House, as they were in April, 1935.

On the other hand, the technical regulations of the Commission have assured a higher standard of efficiency in all stations and ensured improved reception conditions. In these respects the Commission has undoubtedly done much to co-ordinate Canadian broadcasting in the interests of Canadian listeners.

(4) *Program*

We are of the opinion that the program policy of the Commission has been mistaken from the outset. In view of the limited revenues at its command, the policy surely should have been quality, rather than quantity. A few items of the highest merit and imported relays of similar character would have set standards for commercial programs both on the national chain and elsewhere and gradually built up public enthusiasm. They would have the additional effect of making the best features of Canadian life better known in the United States. Instead, however, the policy of quantity has been followed and little of an original character created, most of the programs being undistinguishable from those available from commercial sources.

On the other hand, the existence of a national hook-up has facilitated a vast number of items of national interest which would not otherwise have been available to the public as a whole, while certain of the Commission's programs, such as the Dominion Day and Christmas broadcasts, have given us a glimpse of the wonderful possibilities of public service broadcasting in Canada.

III.—A PLAN OF REORGANIZATION

Permit us now to outline in some detail our proposals for the reorganization of Canadian broadcasting at the present time and under the present circumstances.

(A) BASIC PRINCIPLE REAFFIRMED

The first essential of a reorganization is an unequivocal reaffirmation of undivided control and an ultimate public monopoly of the high-power chain stations as the necessary principle upon which Canadian radio should be established.

By this we do not mean that the public corporation should envisage the ultimate or immediate ownership of all broadcasting stations in Canada. It is a matter of secondary importance whether or not the supplementary local stations are privately or publicly owned. Indeed, there is much to be said in favour of the private ownership of small local stations. But we do insist that the ultimate ownership of the high-power chain stations is essential to Canada.

(B) DETAILS OF A REORGANIZATION

The general considerations to be borne in mind in a revision of the set-up presently embodied by the Canadian Radio Commission have been touched on. They are:—

(i) That broadcasting is a special medium not susceptible of ordinary types of public control and that a public corporation which combines the greatest possible degree of flexibility and absence of interference in parliamentary management, with clearly defined control of major policy, is best suited to its character and needs.

(ii) That it is important to establish a "buffer" in the form of a Board to protect the executive of such a corporation from community or partisan pressure, such a Board accepting the immediate responsibility for the policies of the corporation.

(iii) That broadcasting, like any other business, can only be efficiently conducted by a single chief executive charged with full responsibility for operation.

In carrying out a reorganization along these lines certain considerations should be borne in mind. They relate to the setting up of a public corporation, the principle policies which that corporation should adopt, technical considerations and methods of finance.

1. *The Corporation*

(a) *The Board.*—The board of governors or directors of such a corporation should be conceived as the guarantee to the public that broadcasting was being administered in a business-like and non-partisan fashion—the "trustees of the national interest in broadcasting"—to use the phrase by which the governors of the British Broadcasting Corporation are officially described. Its members should therefore be persons of recognized integrity and general, as distinct from technical, qualifications.

Method of Appointment.—To establish the public confidence essential to such a board, its members should if possible be appointed by the governor in council, after consultation with the leaders of the other principal parties.

Size of Board.—It is suggested that a board of nine would best fulfil Canadian requirements, such board being broadly representative of the five main geographical divisions of Canada and of the dominion as a whole. It should include three representatives of French-speaking Canada.

A board of nine would permit of an executive subcommittee of four, a better number in practice than three. The members of the subcommittee should reside in or near Montreal, Ottawa or Toronto.

Tenure of Board.—The members of the board should be appointed for three years, provided that of the board first appointed one-third shall be appointed to retire in three years, one-third in four years, and one-third in five years. In this way both continuity and the permanence necessary to attract the desired persons would be assured. We believe it would be impossible to secure the services of citizens of the calibre desired, unless a fixed tenure in which to make a constructive contribution were assured.

Remuneration.—The members of the board should receive only travelling and out-of-pocket expenses, and a director's fee of say twenty-five or fifty dollars for each meeting, with a maximum of \$500 per year. The chairman should spend sufficient time on the work of the board to justify an honorarium of \$1,500 per year, and the other members of the executive committee \$1,000 per year.

(b) **Method of Relating Corporation to Parliament.**—The present commission reports to Parliament through the Minister of Marine who acts as the spokesman of the commission on the floor of the House. It is obvious that a public corporation would be related to Parliament in a similar fashion.

(c) **Appointment of Best Available Executive as General Manager.**—One of the main functions of the board should be to appoint, subject to the approval of the Governor in Council, and fix the salary of the best available broadcasting executive to act as general manager. Properly speaking, such an appointment should be made by the board, not by the government, and his salary should be fixed by the board, to whom Parliament had delegated that responsibility, and not by Parliament itself.

The general manager should be responsible to the board for the operation of the corporation. He should have the power, subject to the approval of the board, to hire and fire. As in the British Broadcasting Corporation, he should not be subject to the provisions of the Civil Service Act, for obvious reasons of flexibility.

(d) **Method of Ensuring Local and Provincial Co-operation.**—Provincial interests and aspirations can best be reflected through provincial advisory committees working in conjunction with the regional or provincial program officials of the national organization. These committees should be broadly representative of the cultural interests in the province. It is suggested that they might be appointed by the national board from a panel submitted by the provincial prime minister, after consultation with the leaders of the main provincial parties.

2. Principal Policies of the Corporation

(a) **Program Policy.**—As indicated above, we believe the corporation, until such time as it has further revenues at its disposal, should concentrate on programs of quality rather than quantity, and should encourage over its national network relays from the United States, Great Britain and elsewhere, and high-class commercial items.

(b) **Policy with Regard to Political Broadcastig.**—The experience of the last general election shows the urgent necessity of defining the position as regards political broadcasting. Obviously, ability to pay is unfair as the sole criterion of dividing time on the air during an election. It is submitted that the practice in Great Britain and recommended in the Aird report, might well be followed. In Great Britain no charge is made for political broadcasting, but the time allotted to each party is limited by an arrangement between them.

(c) *Policy re National and Local Advertising.*—The policy with regard to national advertising should be to encourage the trans-Canada broadcasting over the Corporation's chain of high-class commercial items, by offering a lower wire rate than that commercially obtainable. The policy with regard to local advertising should be that of fair competition in securing local advertising contracts of a high-class variety, possibly with some tribunal named to penalize rate-cutting.

(d) *Wire Policy.*—The wire policy which we consider desirable has been indicated by implication above. The Corporation should contract for a continuous twelve or sixteen hour service at a figure not greatly exceeding the present one, with the right to sublet to commercial sponsors and retain the revenue thus secured. The policy towards commercial sponsors should be to encourage, by quoting a lower rate than that commercially obtainable, trans-Canada or partial trans-Canada programs. As there are virtually none of these at the present time, the wire companies should have no valid objection to such a policy.

3. *Technical Scheme*

As we have tried to show, the basis upon which the new organization must proceed is the ultimate ownership of the national chain stations. While we appreciate to the full the financial difficulties of the present time, we believe it essential that "the recognizable nucleus" of such a chain be built up as soon as is at all possible.

The first task of the Corporation, however, should be a survey of broadcasting conditions throughout Canada, in order to devise a definite plan of co-ordination and construction for the next five years. Until the new Corporation is formed and has the opportunity for such a survey, it is of the utmost importance that no increases of power or allocation of channels be permitted.

4. *Finance*

Present Position.—The question of finance is, of course, all-important. The \$2 licence fee produces sufficient net revenue (\$1,500,000) for tolerably satisfactory operation, but not an adequate extension of physical facilities. To take care of new construction or co-ordination which the Corporation, after conducting a survey, deemed immediately desirable, it is suggested that either the money be provided through a loan which the Corporation could make provision to fund over a twenty-year period, or that it be voted from a public works appropriation. Such a public work would surely be in the best long-run interests of the nation.

As the new organization was able to popularize itself with the listening public, it would be possible to raise the licence fee to three dollars, as recommended by the Aird Report and advocated by the Trades and Labour Congress. With the revenues thus available, the whole network could be operated and extended yearly.

Methods of Finance—The Licence Fee Principle.—It is obvious that the licence fee system must remain the primary method of financing Canadian broadcasting. Proposals to substitute a tax on tubes from time to time have been suggested as an alternative to the licence fee, and each time rejected as impracticable. Such a method of finance would be extremely difficult of collection and unreliable inasmuch as the life of tubes varies greatly and developments are constantly taking place with a view to extending their utility.

Additional Sources of Revenue.—If the proposals for subletting space on the national network were adopted, an additional source of revenue would be found. It is suggested also that to aid the new broadcasting authority the Government might well absorb the \$225,000 presently charged for interference service.

Direct Payment of Licence Fee Revenue.—The Act setting up the Corporation should provide that all licence fees and other revenue of the Corporation (less costs of collection) should be paid direct to the Corporation, without a special vote each year. The present practice necessitates Parliament's voting the money out of the Consolidated Revenue Fund, which creates the notion in Parliament and the country that public funds are being devoted to broadcasting, when such is not the case.

IV. ITS IMPORTANCE TO CANADA

With the basic principle firmly established, with a Board of representative citizens commanding the confidence and respect of all parties and all sections of the community, with a broadcasting expert of wide experience, with revenues growing as public enthusiasm develops, and with a clear-cut technical scheme to work towards, Canada could look forward with confidence to the future of this great utility, to this instrument of such paramount importance in the development of her unity, the entertainment and enlightenment of her people and the protection of her commerce.

Even from an immediate dollars-and-cents point of view, the extension of public service broadcasting would repay the money it requires a thousandfold. From a tourist and trade point of view, distinctive Canadian programs would be of greatest value in quickening American and British interest in Canada. Indeed, if we could, as a result of relaying good radio broadcasting throughout the United States, increase our tourist traffic by two per cent a year, it would pay us to invest several million dollars a year on that account alone. If we could further increase the sale of Canadian goods abroad, especially in conjunction with the present Government's goodwill policy in matters of trade, the same would be equally true.

From a long-term point of view the advantages are so obvious as scarcely to require repetition. With a national chain and national control, Canada's destiny is in her own hands, the integrity of her twin cultures can be preserved and sustained and whatever she has of distinctive value contributed to the world. Without it our dream of a united nation "from the sea even unto the sea," is meaningless and cannot be realized. A national broadcasting system is as important to the continued existence of Canada as an independent nation in the twentieth century as transcontinental railways were to its inception in the nineteenth.

V. IMPLICATIONS OF ALTERNATIVE PROPOSALS

We wish now to consider the implications of certain alternative proposals which have been made and which we believe depart from the necessary principle of a national system.

1. *The Departmental Draft*

We noted with apprehension the provision in the so-called draft bill, as reported in the Canadian Press, of the transfer to a Government department the control of wavelengths, power and allocation of stations, regulations, etc. While we recognize that this draft was only intended as a basis of discussion, we feel obliged to take issue with it in so far as it envisages divided control. With respect to its other provisions, that is for a public corporation, general manager, etc., we are, of course, in substantial agreement. But we feel obliged to point out that divided control represents a departure from the necessary principle of a public system, that it invites partisan, as distinct from state control, and that it would in practice be unworkable.

(a) Broadcasting either is or is not a natural monopoly. All investigations hitherto have been obliged to admit that it is, and the present Commission was endowed with undivided control in virtue of this fact. If that control has not

been exercised wisely, it is the fault of the personnel and the set-up of the Commission. If we place the control of the private stations in the hands of a Government department, we are virtually abandoning the assumption on which the Broadcasting Act of 1932 was based and proceeding on the assumption that two or more national chains are both possible and desirable. On this assumption we designate the departmental head as the arbiter between the claims of the public corporation and the various private corporations. In other words, the public system becomes simply one of a number of competing systems, invited to capture the field, if it can.

(c) Perhaps in the long run the public system would capture the field, but the chances, we believe, against its doing so are very considerable in view of its present financial limitations. Meanwhile broadcasting inevitably becomes subject to partisan considerations. Suppose, for example, a private corporation wishes to increase its power or obtain a different channel and the public corporation, in its desire to co-ordinate broadcasting in the public interest, opposes such a request? One can well imagine that the Minister and the Government would be subject to a great deal of pressure and consequent embarrassment whenever such a situation arose. If the public system survived, it would be at quite unnecessary expense.

(c) Our third objection to divided authority is that it would in practice be unworkable. In the matter of political broadcasting, for example, are we to have separate control over the public chain and over private stations at election time? Are two different sets of considerations to govern such broadcasting? Obviously such matters can only fairly and effectively be handled by a non-partisan corporation.

How also can the wire networks be controlled if authority over them is to be divided? Any wire expert will concede the need of unified control of wire networks. Before the present Commission took control, rate-cutting was prevalent and a stable price structure impossible. Without centralized national control of wire networks a wedge might be left open for United States chains to arrange tie-ups in Canada. Before the Commission took over, plans were under foot to effect such a hook-up between Windsor, Toronto and Montreal. If the Columbia or National Companies could secure such tie-ups they could literally dump American advertising into Canada with no Canadian program costs at all.

In conclusion allow me to quote from a recent editorial (March 30, 1936) from the *Winnipeg Free Press*. If, as this editorial points out, undivided control is desirable, "Why divide it? If the Corporation personnel is able to make what should be made of public radio and what is made of it in Great Britain, for instance, it is able to make a job of the whole unit. Indeed, there is grave question whether a success can be made of a divided radio. . . . If such control is the object, why now divide it? The set-up of a Corporation and general manager could manage radio as a unit with much more chance of success than will be possible under the proposed plan. The Minister, on his side, would be in a none too comfortable position with private stations on one side and a public corporation on the other. With the Corporation in full charge the Minister would properly have the right to be consulted, but the weight of responsibility would be on the Corporation and the General Manager."

2. "The Ashcroft Plan"

The so-called Ashcroft Plan which was first outlined in the *Financial Post* of February 28, and which proposes that the project of publicly owned stations be abandoned and licence fee revenues utilized to provide a program service for the private stations, should not perhaps be seriously considered. But as the proposal has been made again and again by various private broadcasting representatives, it may be worth analysing here.

Mr. Asheroft proposes a corporation to which would be entrusted the million and a half odd revenue available from licence fees "as a trust" to be utilized to aid the existing private stations, by providing sustaining programs and paying them to take them; by bearing the cost of inter-station facilities; by assuming all fees and royalties for copyright for all stations and by encouraging the broadcasting of network advertising programs.

These proposals are singularly naive and represent a tacit admission that advertising is an insufficient basis for financing Canadian radio. We are being invited to perpetuate an advertising system not suited to the needs of this country, or, as the *Vancouver Sun* put it, to subsidize radio advertising. What is more serious, we are being asked to hasten the inevitable tendency of Canadian radio on an advertising basis to become the satellite of the great American chains. When public enthusiasm for such subsidies precluded their being continued, we might find it too late to recover this great public utility.

3. Other Proposals

It is not necessary further to analyze alternative proposals, as they have all in the past represented permutations and combinations of the proposal outlined above and will doubtless do so again. They are all a virtual admission that advertising is inadequate in Canada, that private enterprise means the ultimate domination of our advertising market by the United States chains. They all have been rejected by successive public Commissions.

VI. CONCLUSION—THE REAL ISSUE

Such, we believe, is the case for a properly organized publicly owned broadcasting service in Canada, and such the alternatives to it. The scheme we have outlined combines, we believe, the best features of both the British and the American systems—public service as the basic and over-ruling motive, while retaining the valuable principle of competition in programs.

It has the advantage of utilizing local stations, privately owned, as a supplementary source of programs and talent. It disturbs the existing stations to the smallest extent compatible with the development of a public service chain.

The case for such a scheme is, we believe, unanswerable if we adopt as our criteria the general interest of Canada as a nation and of the public as listeners. For the alternatives of such a scheme, be they the status quo before 1932, private monopoly, or subsidized private enterprise, mean the same thing in the long run. On an advertising basis Canadian radio and Canadian public opinion pass out of Canadian control. That is the alternative, and it has to be faced.

What, definitely, is to be the future of Canadian radio? We cannot have the best of both worlds. Canadian radio must be established on a primary basis of public service or on a primary basis of advertising. It is only fair to the private stations, as well as to the public, to know what the policy is to be, definitely, unequivocally.

We cannot believe, that there is, or can be, any choice. Canadian public opinion demands that this great instrument be retained and developed in the widest interests of Canada as a whole.

PROPOSALS OF THE CANADIAN RADIO LEAGUE

SUBMITTED TO SPECIAL PARLIAMENTARY COMMITTEE ON THE CANADIAN
RADIO COMMISSION

APPENDIX

1. *Excerpts from Recent Editorials to Illustrate Points in Text*

Winnipeg Free Press, March 18, 1936.—“Canadian Radio Control . . . It is desirable that control of this character should continue to be vested in the new governing set-up; the division which has been suggested in certain quarters that the Radio Commission should be limited to the preparation of programs and their distribution over a network with the control of the private stations in the hands of departmental officials would be a backward step. With control vested in the Commission the questions arising out of the circumstances that at the present time the radio stations, with inconsequential exceptions, are privately owned, can be left to be adjusted the new governing set-up acquires a mastery of the problems.”

Western Producer, March 19, 1936.—“It is not expected the Ashcroft proposals will receive much consideration, particularly as his recommendations are based on the premise that ‘the development and practice of broadcasting in Canada should be in the hands of private enterprise.’ A more fallacious assumption could hardly be conceived.”

Ottawa Citizen, March 24, 1936.—“South Africa’s Radio Service Responsibility and authority are to be vested in a national Board of six or seven members appointed by the Governor-in-Council for five-year terms Authority is to devolve in considerable measure on the national radio corporation’s chief executive The soundness of this plan of management, closely patterned after the practice of private enterprise in public utilities, but embodying the essential safeguard of public ownership, has been demonstrated in other countries, particularly for ten years of British broadcasting.”

Saskatoon Star-Phoenix, March 27, 1936.—“It should hardly be necessary to go over the whole argument about a private monopoly having exclusive control over one of the greatest agencies of propaganda the world has yet devised. That was threshed out in 1932 when the present system was devised.”

Victoria Times, March 27, 1936.—“Admittedly the existing system has revealed some deficiencies . . . but its fundamental principle is sound, and upon that foundation it should not be difficult to develop an organization and direction which will be generally acceptable.”

Hamilton Herald, March 28, 1936.—“Control of Broadcasting The system of control introduced by Mr. Bennett was not in accordance with the proposals . . . of the Radio League, and considerable dissatisfaction was felt with it.”

Vancouver Sun, March 28, 1936.—“What of the Radio? . . . Private broadcasting interests are suggesting with considerable enthusiasm that the system of a national radio station chain be abandoned and that the million and a half dollars collected in radio license fees be turned over to private stations as a subsidy It is to be hoped that the Canadian Parliament, in reorganizing the radio set-up, will take no such retrogressive step This proposal, moreover, is a tacit admission that radio advertising is not sufficient in Canada for the support of broadcasting stations If this is the case, and radio, as a private industry, is not able to support itself, there would seem to be no justifica-

tion for broadcasting on a private basis at all Certainly the situation offers no justification for the abolition of publicly owned stations in favour of private stations that cannot pay their way."

Winnipeg Free Press, March 30, 1936.—"Proposed Radio Legislation The third provision, however, puts this corporation in charge of the stations and network now owned by the Commission, at the same time vesting all control of private stations, wavelengths, advertising, censorship of radio matters and the like in the Minister who may consult with the Corporation, but is not obligated to follow its advice. . . . In other words, radio in Canada, if this bill is passed, is split wide open between a public service, the programs of which are controlled by a Corporation, and private stations, each responsible only to the Minister. A form of public ownership will be retained, with the suggestion to private enterprise to go ahead and capture the field if it can."

The Sydney Post-Record, April 1, 1936.—"Nationalizing Radio There is one vital feature in the draft bill which certainly should be changed. What we refer to is the proposed division of jurisdiction as between the national broadcasting authority and the Department of Marine Divided authority—one law for public and a different law for private broadcasting—would be a definite departure from those ideals (Aird Report) and would run counter to the overwhelming body of public opinion."

Quebec Chronicle Telegraph, March 31, 1936.—"National Broadcasting Needed We do strongly insist that the only sound principle to be recognized and acted on is that of State control and operation."

Toronto Mail and Empire.—"Keep Politics Out of Radio System. A draft bill One of the proposals is that the national broadcasting authority is to be deprived of its power to control and regulate private as well as public broadcasting This would constitute an absolute departure from the basic principle of a public broadcasting system."

2. Special Statements

(a) STATEMENT OF THE TRADES AND LABOUR CONGRESS OF CANADA

"While it seems inconceivable that the principle of public ownership and control of Canadian broadcasting can be called into question, it is well that the case and support for a properly organized public service system should be restated at the present time.

The Congress first took a stand on the question of broadcasting policy in 1928. Since that time it has been periodically discussed by delegates representing the 1,600 branches and 150,000 membership of the Congress. A brief review of the representations made by the Congress from time to time will serve to illustrate what the considered view of the Congress are.

In 1928, in response to a request from the Aird Royal Commission for the views of organized labour, the Congress suggested the establishment and operation of stations by a nationally-owned company or corporation.

They further advised the Aird Commission that "The Trades and Labour Congress of Canada" is definitely opposed to government subsidies being given to private enterprises of this character, believing strongly that control of the air should remain in the hands of the people. By the institution of a government-owned and financed company, managed along the lines of the Canadian National Railways, this object could be achieved.

This question has been the subject of further consideration at the annual conventions of the Congress and on each occasion the principle of public owner-

ship and control has been reaffirmed. Our principle reasons for reaching this conclusion are as follows:—

1. Radio broadcasting by the nature of things lends itself to monopoly as there are only a restricted number of channels available.
2. Radio broadcasting should be developed in the national interests rather than along the lines of an advertising medium.
3. The Trades and Labour Congress is of the opinion that wherever a public service is of such a character as to lend itself to monopolistic control, that it rightfully comes within the classification of a public utility which should be publicly owned and that radio broadcasting is within this category.

When the Aird report was tabled representations were made to the government for legislation to give effect to its provisions.

For similar reasons the Trades and Labour Congress actively participated with other national organizations in the work of the Canadian Radio League. In 1932, Mr. Humphrey Mitchell represented the Congress before the Broadcasting Committee, reiterating the position previously taken and generally supporting the proposals of the Radio League.

Mr. Tom Moore represented the Congress before the Special Radio Committee of 1934. At that time we made certain suggestions with regard to the constitution and work of the Radio Commission:—

1. General Manager.—We recommended that the function of the commission be re-defined as that of a policy forming board, and that the actual management be entrusted to a broadcasting executive. We believe that such an arrangement will make for better management, and provide the operating organization with a "buffer" to protect it from undue interference.
2. Ownership of Stations.—We expressed our dissatisfaction that ownership of stations by private interests has been allowed to develop since the commission was established. We advocated that new stations as required should be built and owned by the Radio Commission, and others needed for the commission's system absorbed as quickly as possible. We pointed out that the capital for such developments could be borrowed, and if necessary the licence fee raised to \$3 to provide for interest and sinking fund. We mentioned that our membership would prefer paying a larger licence fee to allowing private interests to extend their vested interest in Canadian radio.

The Congress would be entirely opposed to any departure from the basic principle of public ownership and control of Canadian radio. While we appreciate to the utmost the financial difficulties in the way of immediate acquisition or construction of stations, we emphatically believe the principle of publicly owned stations should be retained. We feel that the national interest requires the ultimate ownership of a national chain, and the increasing operation of Canadian broadcasting on a public service basis.

(Signed) P. M. DRAPER,

President.

(b) LETTER FROM THE UNIVERSITIES' CONFERENCE

I have read your memorandum of March 26, in which is summed up the position the Canadian Radio League proposes to take in its representations to the Special Parliamentary Committee on Radio Broadcasting. After discussing the matter with President Carleton Stanley of Dalhousie University, the President

of the Universities' Conference, and other members of our executive, I have no hesitation in assuring the League of our support for these proposals.

Naturally, the members of the conference, both individually and collectively, have always taken a deep interest in the question of broadcasting reorganization. They regard it as of paramount importance to Canada that a properly organized national system be built up on a basis of public service. In 1928 we supported the findings of the Aird commission. Subsequently, most of our members were associated with the Canadian Radio League, and the conference, at its 1932 meeting, gave general support to the League's purposes. We have not the slightest doubt that all Canadian universities are in sympathy with the views now taken by the Canadian Radio League.

We believe that it would be a calamity of the first order if there were any retrogression towards private control or towards political interference in radio broadcasting. Improvements can, of course, be made in the present arrangements, and we have still much to learn from the B.B.C. But we must see to it that into the discussion about improvements, no dangerous and selfish wedges are driven.

(Signed) W. A. MACKINTOSH,

Secretary.

Telegram from President Carleton Stanley of Dalhousie University, President of the Universities' Conference.

As President Canadian Universities' Conference I wish to assure you from my knowledge of Conference discussions of this matter over a period of years, that the universities of Canada would regard with dismay and profound disappointment any retrogression from public ownership and control of radio facilities in this country.

(c) STATEMENT FROM THE UNITED FARMERS OF ALBERTA

On behalf of the United Farmers of Alberta, representing many thousands of farmers in the widely scattered areas of this province, the executive of our association have instructed me to reaffirm the stand we took in 1932 respecting the necessity for a properly organized National Broadcasting System. We believe that the Radio Commission should be reorganized along lines advocated by the Aird Commission and the Canadian Radio League and that such Commission should be given all the necessary authority and power to control and co-ordinate broadcasting in Canada. It appears to us to be urgent that the Government of Canada should make available either by direct grant or by authorizing borrowing powers on the part of the Commission, sufficient capital for the purpose of carrying on their work.

(Signed) NORMAN F. PRIESTLEY,

Vice-President.

(d) STATEMENT OF UNITED FARMERS OF CANADA (SASKATCHEWAN)

(a) That broadcasting should continue on a basis of public service as a publicly owned utility to be operated by a committee or commission composed of radio experts to be appointed by the Federal Government for at least ten-year periods and vested with adequate powers to administer Canadian broadcasting.

(b) That the Commission so established shall appoint a general manager to conduct its operations, such general manager to be empowered to appoint the necessary executive, technical and clerical staff, together with such regional directors as shall be deemed necessary.

(c) That an Advisory Council of not less than seven members be appointed by the Government, whose duties would be to direct policy and generally act

in an advisory capacity. These Governors to represent the Maritimes, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

(d) That a provincial advisory council be set up in each province to act in an advisory capacity through the provincial governor.

(e) That all licence fees be granted to the broadcasting commission without deduction other than the cost of collection.

(f) That a more economical and equitable system of licence fee collection be undertaken.

(g) That the broadcasting commission extend the time of network broadcasts to include daytime hours.

(h) That in the interests of economy and better program supervision the commission consider the advisability of centralizing network program production in the larger centres, such as Montreal, Toronto, Winnipeg and Vancouver.

(i) That a committee be appointed by the Government to confer with all nations on the continent with a view to securing a more equitable distribution of broadcast frequencies, and that steps should be undertaken to prevent the "pirating" of frequencies by other nations.

(j) That as soon as finances permit, steps should be undertaken to establish high-powered stations where needed in Canada in order to provide adequate and consistent broadcast reception in all parts of the country.

(k) That the present regulations restricting advertising by commercial sponsors be retained in force.

(l) That the broadcasting of political matters should be carefully restricted under arrangements to be mutually agreed upon by all political parties concerned.

(Signed) FRANK ELIASON,
Secretary.

(e) STATEMENT OF THE CANADIAN LEGION

With reference to the representations to be made by the Canadian Radio League to the Special Parliamentary Committee and, particularly, with regard to the position of the Canadian Legion as a supporting member of the League, I would like to assure you of our continued concurrence in the views expressed by the League before the Parliamentary Committees of 1932 and 1934.

As it would seem necessary that the proposals of the League should again be brought to the attention of the present Parliamentary Committee, the Canadian Legion again desires to associate itself with these views. We are particularly interested in the following points:—

- (1) That provision should be made for adequately covering Canada throughout with broadcasting stations, operated, controlled, and owned by the Government.
- (2) That proper provision be made for Canada's future broadcasting needs in the matter of wave lengths.
- (3) A more extensive application of the principles laid down by the Aird Commission is desirable.
- (4) That such program control should be exercised, as will counteract any anti-British propaganda and maintain such a standard of excellence as will tend to foster Canadian cultural consciousness and national unity.

The Canadian Legion now has had some experience with national broadcasting in Canada and has come to realize some of its handicaps. With the

permission of the Radio Commission, programs over their coast-to-coast network have been organized by the Canadian Legion on occasions of national importance and the co-operation, courtesy and efficiency of the operating officials have been everything that could be desired. Nevertheless, in respect to programs on Armistice Day and other occasions, we have received complaints that these programs do not reach all points of Canada. These complaints come particularly from British Columbia and certain areas in Ontario. The reason for the complaints we have received is apparently that the Radio Commission has not adequate control of regional and local stations. We have on occasion promulgated a national broadcast which aroused great interest and the program has been cut off for commercial reasons.

A complaint of a different nature but also involving the question of facilities came from our British Columbia Branches. The news of the death of our Beloved Sovereign, King George V was first heard in British Columbia over American stations, whereas the Commission's stations were silent. We understand this was due to the fact that there are no wire facilities in the daytime hours for a nation-wide broadcast and consequently such a service is not at present possible. Undoubtedly, the lack of such facilities is the cause of much uninstructed criticism and dissatisfaction. This would appear to be another matter to which the Committee might be urged to direct its attention.

Having in mind the Canadian Legion's interest from the outset in national broadcasting, we are definitely of the opinion that advances have been made in the right direction. Whatever may have been the experience of others interested in the national aspect of broadcasting, the Canadian Legion believes that the potentialities of broadcasting as an instrument of national unity has been more fully recognized and developed than heretofore.

As an indication of what can be accomplished by central control, we need only refer to the effect produced by the broadcasting of a Christmas message by His Majesty the late King George. In the same way may national unity be advanced.

Furthermore, within the limits of the financial facilities available, we feel that a commendable start has been made, and nothing should now be done which would throw us back to where we were in 1932. Perhaps, it might be as well to direct the Committee's attention to the submission which was made by the Canadian Legion to the Aird Commission in 1929 and again to the Radio Committee in 1932. Our stand is very much the same; the principles involved are the same, and we sincerely trust that the 1936 Committee will see fit to further extend them.

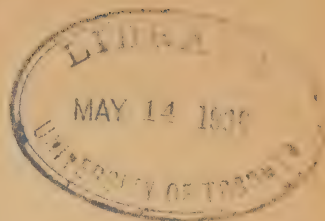
(Signed) ALEX. ROSS,
Dominion President.

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SESSION 1936

HOUSE OF COMMONS



SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

FRIDAY, MAY 8, 1936

WITNESSES:

Mr. Joseph A. Bradette, Member for Cochrane, Ontario.

Rev. H. L. Haslam, Yarmouth, Nova Scotia.

Mr. J. F. B. Livesay, General Manager, Canadian Press, Toronto.

OTTAWA

J. O. PATENAUDE, I.S.O.,

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1936

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

FRIDAY, May 8, 1936.

The Special Committee on Radio met at 11 o'clock, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present.

Messieurs: Beaubien, Campbell, Cochrane, Dupuis, Edwards, Hanson, Howe, Johnston (*Bow River*), Mackenzie (*Neepawa*), McIntosh, Martin, Massey, Ryan and Woodsworth.—14.

In Attendance as witnesses:

Mr. Joseph A. Bradette, M.P., Member for Cochrane, Ontario.

Reverend H. L. Haslam, Yarmouth, Nova Scotia.

Mr. J. F. B. Livesay, General Manager, Canadian Press, Toronto.

Present:

Chairman, Commissioners and officials of the Canadian Radio Commission, Ottawa.

Head officials of the Radio Service, Department of Marine.

Mr. C. A. Chaveau, Vice Chairman of the Radio Commission, submitted for the Commission, files of correspondence between the Canadian Radio Commission and the Canadian National Carbon Company, Limited, Toronto. *Filed and marked as Exhibit No. 31.*

Mr. Olof Hanson, M.P., Member for Skeena, B.C., filed with the Committee a number of communications from persons, boards and organized bodies, as follows:—

Prince Rupert Chamber of Commerce; Burns Lake & Dist. Board of Trade; Vanderhoof & Dist. Board of Trade; Smithers Dis't Chamber of Commerce; letter from Chief Train Despatcher at Smithers, B.C.; suggestions on broadcasting, from the Montreal publication, *The Salute*.

Mr. Bradette called, and made a statement respecting broadcasting conditions in the north country, which he stated was not satisfactory, and he had been endeavouring for several years to have something done to remedy it. He said the stations all through that section of the country, or in the large centres in Canada, were not sufficiently strong to overcome the strength of the waves coming over the border, with the result that they got practically nothing but United States programs, to the exclusion of Canadian programs, almost entirely.

Mr. Bradette submitted a brief to the Committee for consideration, but not read to the meeting. *Ordered printed as Appendix No. 4.*

Mr. Bradette thanked the Committee for the privilege of making his statement, and the attentive hearing given him.

The witness retired.

Rev. Mr. Haslam called. Mr. Haslam submitted no brief, but made a statement from notes to the effect that radio reception from the larger Canadian broadcasting stations is very bad in western Nova Scotia, and that residents there were protesting against paying radio licence fees, under conditions as pertain

at present. He thought this a good time to make representations to the Government.

The witness retired.

Mr. Martin submitted a Memorandum, with suggestions, from Mr. H. S. Hamilton, M.P., Member for Algoma West, and expressing considerable criticism of the radio reception in the area surrounding Sault Ste. Marie.

Mr. Cochrane submitted a letter received from Truro, N.S., making complaints about radio interference in that section.

Mr. J. F. B. Livesay called. The submission of the witness was in the nature of a reply as well as a criticism of certain statements made before the Committee by Mr. Herbert Moore, President of the Transradio News Service, New York, who appeared before the Committee on Thursday, May 7. Mr. Livesay, explained the methods used by the Canadian Press to secure and distribute world news, and the care used in its distribution.

Numerous questions were asked the witness, and replied to in detail. The witness thanked the Committee for the privilege given to him to reply.

The witness retired.

The Chairman asked the full co-operation of the Committee in an endeavour to try and complete the public hearings of the Committee by the end of next week.

After discussion as to future meetings, the Committee adjourned to meet again on Tuesday, May 12, when the Wire Line companies were to be represented before the Committee.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

OTTAWA, May 8, 1936.

The Special Committee appointed to inquire into the administration of the Canadian Radio Broadcasting Act of 1932, and amendments met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will kindly come to order, we shall begin. Colonel Chauveau handed me this memorandum for the secretary of the Commission, who is absent. It is a list of documents submitted to the special committee of the House of Commons on radio, and is as follows: Files of correspondence between the Canadian Radio Broadcasting Commission and the Canadian National Carbon Company Limited, of Toronto; statements of accounts paid to Wishart Campbell for services, with checks returned to the Receiver-General of Canada. Those are being filed to-day.

Mr. HANSON: Before we proceed, I have some correspondence from Chambers of Commerce and Boards of Trade, making different suggestions and complaints, that I would like to file with the committee. The first one is from the Prince Rupert Chamber of Commerce; the second one is from the Board of Trade of Burns Lake, British Columbia; the next one is from the Vanderhoof Board of Trade, British Columbia; the next one is from the Smithers District Chamber of Commerce; the next one is signed by Dick Evans, chief train dispatcher, Smithers, British Columbia; and the next one is signed by Captain H. Morcôm, Montreal.

The CHAIRMAN: On what line are those suggestions?

Mr. HANSON: Some are suggestions for improvement of radio in the district, and some in a general way, from the Chambers of Commerce and Boards of Trade in British Columbia. It is for the information of the committee.

The CHAIRMAN: Yesterday it was agreed that we would allow members of Parliament to make representations to the committee in regard to radio broadcasting in certain parts of Canada. We have Mr. Joseph Bradette with us, member for North Temiskaming, who has, I think, prepared a short brief to present to the members of the committee. I would ask Mr. Bradette to come forward.

Mr. BRADETTE: Mr. Chairman and gentlemen, I highly appreciate the opportunity that is given to northern Ontario and northern Quebec of giving their viewpoints about the radio situation. This opportunity was given, the other day, to Mr. Blais, of Chapleau; and I believe that our problems are almost identical. Once radio was nationalized, we fully realized in our section of the country that that service would not become absolutely perfect overnight. Like all human inventions or institutions, even twenty years from now or at all times, the people of this country or any country will be asking for some improvements as far as radio reception and radio activities are concerned. Although we are called a wilderness—the other day there was a fine member from Quebec who called my section a wilderness.

The CHAIRMAN: Shame.

Mr. BRADETTE: It was certainly a shame. I did not want to answer him, because I think we are on the same political side. We have here five federal members representing over 400,000 people in the so-called wilderness of northern Ontario and northern Quebec. I am stating to the committee very, very sincerely that we are not satisfied with the radio reception that we have at the present

time. We are not parochial in our viewpoint, and we do not expect miracles. We have shown our patience by not having a young revolution in the last four years. But I can see signs of one at the present time; because the other day I received a letter from the Hon. Mr. Howe asking me to appoint a man to collect radio licence fees, and I tried to get a man. So far, I have been unable to do so because the life insurance company will not take that risk; because if that man ever dared to go into the people's homes in places like Timmins, Cochrane, North Bay or Haileybury—in the riding of my good friend Walter Little or my good friend MacDonald—he might be killed or crucified. Something would happen to him which would be very very bad.

Now, I believe in the application of the laws of this country. But I have in my possession hundreds of letters from people of my own constituency, making the statement that they are not going to pay the radio licence fee because they maintain that the government that collects the fee should give service, applying the old principle of no representation, no taxation. That principle applies to the radio question in our section of the country. We are not parochial in our viewpoint, but you must visualize that we embrace a very large territory. I mentioned a few minutes ago that at the present time there are over 400,000 people in this territory, where there was practically not a soul we will say thirty years ago. This is a section of the country where the greatest progress is going to be made in industry, mining and also in agriculture in the next fifty years to come. In the riding of my friend Walter Little and in the riding of my friend Mr. MacDonald, the population at the present time is increasing at the rate of nearly 5,000 per month. In my own riding I have over 100,000 people. That will make you realize the amount of new population we are getting there. There is also the fact to be considered that a good many of them are doing pioneer work. A good many settlers are leaving the older sections of Ontario and Quebec and going into the clay belt. To-day they are not getting the radio reception which they expect to get. You must really visualize what it means in the new agricultural centres, in the new mining centres, where these people have not the access that you have to all the different amusements of civilization. At the present time practically the only thing they have to occupy their few leisure hours is to turn the dial and get the world's news and also Canadian news. I must confess that it is much easier in my own section to get reception from United States; and with that I have no quarrel because their programs are certainly very good. But we maintain that we should have, primarily, access to our own Canadian programs. Under the present situation this is absolutely impossible. You will readily understand that that is the reason for the state of mind of the people, as far as our own section of the country is concerned.

I will strongly urge this committee, Mr. Chairman, to make a recommendation to the government. There are two remedies for the situation. One is to build a radio station in northern Ontario or northern Quebec, as long as it will give coverage to that section of Canada. The other is to increase the power of the station in Montreal and also in Toronto. As you know, Mr. Chairman, in practically every section of northern Ontario and northern Quebec you have a great inter-mixture of English-speaking and French-speaking people. I believe that by increasing the power of the last-named station it would give us access to the English and French radio programs, and would be a very fine way of solving the problem that we have in our section of the country.

I have a brief here. I do not know whether I should read it or not.

MR. HANSON: Why not file it with the committee?

MR. BRADETTE: I can file it with the committee.

THE CHAIRMAN: We will put it in the record.

MR. BRADETTE: It will shorten the time taken. Dr. Morand last year gave me the same opportunity, for which I was very thankful to him indeed. I

have practically the same brief, although there are some minor changes made in my appeal at the present time. I must also state here that we always received a very sympathetic hearing from the major and minor officials of the Radio Commission of this country. At the same time we are still surprised that, after four years of protest, before the House of Commons, by the members of our section of the country, the situation has not been remedied. Regardless of their political affiliations and no matter from what section of the country they came, they are all in perfect unanimity in criticizing the situation we have at the present time. I was told last year by a radio official that the expenditure that would be required to give us reception would not be a very large one. Personally I thought it would amount to hundreds of thousands of dollars. But I was told by that man—and I am not going to give his name at the present time—that it would not amount to any more than \$40,000 or \$50,000. Surely to have 400,000 people satisfied about a question on which at the present time there is a lot of tribulation and a lot of dissatisfaction, it would be worth that. I believe it would be the best capital investment that the Radio Commission or the Government could make. I do not want to suggest taking the discussion on the floor of the House of Commons. I do not believe in using any threats at all; but at the same time I believe that the five members who are directly interested in that all-important question will have to carry on a certain amount of filibustering on the floor of the House of Commons, unless we have a clear and definite promise that the situation will be remedied. I am making this appeal very seriously and also very sincerely. We think that our section of the country has the finest people there are; and I may say to you that we are not interested in some of the quarrels between the east and the west; we are not even interested very highly in tourists, which makes you realize how broad-minded we are. But when it comes to the question of radio reception, realizing that the older sections of this country are getting reception which is, to a very large extent, all that they expected to get with the nationalization of it, I must state to you that we in our section have been very highly disappointed. I do not believe that the remedy lies in spending large amounts of money; but it does not lie in allowing this situation to continue. We deserve to get it remedied and surely we should be able to do so.

Now, again before terminating I make the fervent wish that your committee will find it possible to formulate a recommendation to the government whereby our situation will be taken into account, be given serious attention and consideration, and that the situation will be remedied at the earliest possible moment.

Mr. CAMPBELL: There are three stations in the north now. I know the situation, and I agree with everything you have said. In fact, it is worse in some places than what you have said. Those three stations have not remedied the situation to any extent.

Mr. BRADETTE: No, those three stations have not. I must say that I have been very outspoken about it; and I have made some personal enemies over it. I never was in favour of it. When I voted for the nationalization of radio I thought it would be nationalized in the full sense of the word; that if you started you would set up a national service and there would be no more private interests. I have no quarrel with any of them, because the local stations are giving local service that perhaps the Radio Commission could not have given in the last five years. But I am afraid it was an excuse. Perhaps it was an excuse for not giving the people in my section of the country the radio reception we are entitled to get. To bear out what I have said, I am going to give you one more instance. Take the town of Timmins which has, at the present time, a population of over 22,000, and will take in the whole of the Porcupine District. They have at the present time a local station. That local station is fulfilling a purpose in that section of the country. But in my home town, which is only 70 miles

away as the crow flies, we could never get that local station. I believe sincerely, Mr. Chairman, that it has been used as an excuse in keeping us from getting access to the national radio broadcasts in our section of the country. I want to be very well understood in that. As far as I am concerned, and I believe I am voicing the sentiments of my constituency, if we could do away with all private radio stations, I believe every section of our population would be absolutely satisfied; because I believe implicitly in the nationalization of radio in the absolute, full sense of the word, not only national but also local.

The CHAIRMAN: Thank you, Mr. Bradette. Is it the wish of the committee that Mr. Bradette's brief should be put in the record?

Mr. CAMPBELL: Absolutely.

The CHAIRMAN: It will be printed as an appendix.

Now, gentlemen, we have Rev. H. A. Haslam from Yarmouth, Nova Scotia, who is appearing and representing the views of the mayor and town council of Yarmouth, the Board of Trade, the Ministerial Institute, the I.O.D.E., Overseas Club, Young Men's Club, Rotary and Kiwanis Clubs.

Mr. MARTIN: Before he is called, I have a memorandum which Mr. Harry Hamilton, M.P., has asked me to place on the files of the committee. I do not think it need be read. It represents complaints on behalf of numerous of his constituents who were unable to receive the benefit of the Moose River broadcasts from station CJIC. Mr. Hamilton feels that the matter is of sufficient importance that this committee should know what he has to say about it, and he has asked me to present it to the committee.

Rev. H. L. HASLAM called.

The CHAIRMAN: Have you a brief of any kind?

WITNESS: No.

The CHAIRMAN: Mr. Haslam has no brief prepared. He will give us his views.

Mr. MARTIN: He has a statement to make?

WITNESS: Yes.

The CHAIRMAN: Will you proceed?

WITNESS: Mr. Chairman, gentlemen, I heard a very good story the other day about two Jews who were on board ship and there was a shipwreck. Both of these men were thrown into the water. One was a very good swimmer and life saver, and the other was not able to swim at all. So the stronger of the two held his friend up for a long time, until they saw a ship appearing on the horizon. He said, "Now, I think we can hold out until that ship arrives." As the ship got nearer our friend began to weaken a little bit. He said, "Ikey, I want you to turn over on your back, throw your head back and put your hands out like that. If you do that and do not try to look around, I think we can hang out." "Oh," said Ikey, "this is no time to float alone."

I think this is an opportune time to present the case for western Nova Scotia. If you will try to visualize the western of that province, you will remember that there is first of all the county of Yarmouth, and on the north is Digby; on the south there is Shelburne and also Queens county. Now, as your chairman has said, I have no axe to grind whatsoever. A meeting of the seven organizations which have been spoken of this morning was held on April 16 and I was asked to attend it. After some time of discussion, when every detail of the lack of radio coverage was gone into, I was asked to represent these men before this committee this morning. That is my purpose in appearing here as I do to-day.

[Rev. H. L. Haslam.]

Now we come to the question of coverage by the Radio Commission programs of western Nova Scotia. I do not want to make any extravagant claims this morning because I am well aware of the fact that there are individual radios which receive Radio Commission programs from Montreal, some from Toronto and some from Fredericton, but I do represent the rank and file of the people who own radios like my own, which is a 7-tube Philco, and I want to say this; that we are not, in Western Nova Scotia, receiving the proper coverage. I have never been able to get Halifax. I do not know about the St. John station.

By Mr. Martin:

Q. How many miles are you from Halifax?—A. I suppose it would be about 200 miles as the crow flies.

By Mr. Ryan:

Q. You are near the Saint John station, are you not?—A. Yes, perhaps 75 or 100 miles as the crow flies. But that station is completely heterodyned by a station in Boston, Station WCOP which is operating on the same frequency, 1,120 kilocycles. I have spoken to numerous people, as well as the forty men who were present at the meeting to which I have referred, and all stated they were unable to get Saint John under any circumstances whatever. It can be had on the short wave; Halifax also can be had on the short wave, but it is not dependable. The station at Fredericton which carries the Commission programs can be heard comparatively clearly during the day, but just as soon as evening comes after seven o'clock, that station is again heterodyned and there is terrific vibration set up and you are unable to get anything at all.

I relate this because, in the month of January, I was attending a meeting of the Anglican Church in the city of Fredericton. I knew that service was to be broadcast, and I asked our people to listen in. Several of the members of the choir gathered at the rectory and they heard parts of it very clearly, but other parts were completely lost through vibration. I understand the technical term is heterodyned. Now, that is the situation at the present time.

The more powerful American stations, and we are comparatively close to them and there is clear water between us, simply destroy these Commission programs altogether. My own experience is this: I listen occasionally to station CKAC in Montreal, also a station in Toronto, but you cannot get them consistently for more than five minutes at a time. I have listened to addresses and musical programs, and just when you would be worked up to the point of interest the whole thing fades out or else there is so much vibration that it cannot be heard at all with any satisfaction.

I want to emphasize and reiterate what was stated by the last speaker. There is general dissatisfaction in Western Nova Scotia to-day. It is expressed on all hands. I know there are hundreds of people who are paying their licences to-day under protest. I do not mind saying that I paid mine under protest. I am well aware of the fact that the \$2 licence fee is not paid with a guarantee that we are paying for Radio Commission programs. I may be wrong in that statement, and I stand corrected if I am wrong. I understand that the radio licence is more or less of a luxury tax; but virtually we are paying for Radio Commission programs. I do submit this, gentlemen, that we are not receiving the quid pro quo for the \$2 licence fee which we are paying. I say that from my own personal experience, and I say it as representing a very large body of people in the Western part of Nova Scotia.

Now we come to the question of the commercial side of this, and I do not see any harm in presenting the commercial side of it. There are in Western Nova Scotia some 50,000 people who are of some commercial standing, and,

naturally, the men who are purveyors of radios are very anxious to supply these people. Now, because of the dissatisfaction which exists at the present time, there is difficulty in getting rid of radios. You can take that for what it is worth. I was asked to present that aspect of the matter this morning.

By Mr. Hanson:

Q. Did you say to get rid of radios?—A. To buy them, yes. They claim that we have to pay a radio licence of \$2 a year and all we get are the American programs, and we do not feel justified in paying that licence fee; therefore, why add to our expenditure by having to pay the fee. I am not tremendously impressed by that, because, as the last speaker said, we get the American programs probably better than any part of the North American Continent. We have clear water between us and we can get the American stations perfectly.

By Mr. Johnston:

Q. What stations do you get?—A. WEAf, WOR, Newark, New Jersey, and we can get scores of American stations.

Now I come to the question of the cost. I understand that letters were received in Yarmouth stating that the cost of the line between Halifax and Yarmouth would mean an annual outlay on the part of the Commission of \$18,000. The owner of the local station in Yarmouth took that matter up with the Maritime Telegraph and Telephone Company, and I saw the correspondence. He is a young chap who has a very wide knowledge of radios. He used to build them before he installed the station which he has at the present time. It is a local station, operating with 100 watts, and I think it is 132 kilocycles or something to that effect and it has a coverage of the counties of Yarmouth, Digby, Shelburne, Annapolis and Queens. I occasionally broadcast myself, and I have received numerous letters from Annapolis County and Queens County expressing delight with the clear reception which they have had of the services and addresses that have been broadcast. Now Laurie Smith, who is the owner of this station—and I want to state that I have not come here to boost this station, I have come here to lay the difficulties before you and incidentally to mention this—is a technician of no mean standing. In his correspondence with the Maritime Telegraph and Telephone Company, he asked for a quotation for the use of a line between Halifax and Yarmouth with an amplifier which is necessary, I believe, at Middleton, also an amplifier at Yarmouth. He stated in his correspondence with them that he had a pretty wide knowledge of radio and that he would be able to look after the amplifier at Yarmouth. Now their quotation was this: If he would look after the amplifier at his own end, they would supply the line at \$8,500 per annum. But in that letter they expressed the wish that as they had their own technician it would be more satisfactory for them and more satisfactory for all concerned, and their quotation was \$9,200 a year. That would be the exact cost of the line in order to connect up with the Commission.

I understand that no station has been eliminated, that is, no station which has been linked up with the Radio Commission in the past has been eliminated because of the stepping up of power of other stations. Now I use that illustration, and I am very proud to be able to say that I come from the greatest province in the Dominion of Canada—Prince Edward Island. I do not know what Canada would ever have done if it had not been for Prince Edward Island.

Hon. Mr. HOWE: The garden of the Gulf.

WITNESS: Yes, the garden of the Gulf. It is, if I remember my geography correctly, perhaps 131 miles long with an average width of 9 miles. There is a station which was started, a privately owned station, in the city of Charlotte-

town, and another privately owned station in the town of Summerside. They are about 30 miles apart as the crow flies. Now the Commission linked up with both those stations. They are operating with 100 watts. The station at Sydney was stepped up from 200 watts to 1,000. The station at Halifax was also stepped up from, I believe, 100 watts to 1,000 watts. Neither of those stations in Prince Edward Island has been deleted because of that. I spend my summers there, of course.

Mr. CHARLESWORTH: May I correct Mr. Haslam. We are not linked up with Summerside at all.

WITNESS: You are not?

Mr. CHARLESWORTH: No.

WITNESS: Then I have been misinformed. What I am coming to is this: The station at Sydney covers every part of Prince Edward Island adequately, and the station at Halifax covers Prince Edward Island adequately. So that any person having a radio in any part of Prince Edward Island has the choice of three stations from which to receive Commission programs.

On the other hand, in western Nova Scotia, as I have already stated, we have no satisfactory or dependable coverage from any of the Canadian Radio Commission stations. Now, may I say this, because I do not want to be misunderstood: there are occasions when they can receive these programs from Montreal and Fredericton fairly clearly. You might be able to receive them two evenings a week, but the other five evenings of the week you could not put any dependence upon them whatsoever.

The claim is not being made that western Nova Scotia is the only part of the Dominion of Canada that is not receiving the proper service. We have there at the present time a station with very fine facilities which is lying idle, and I know that I am expressing the wish of a very large majority of the people in the four counties of western Nova Scotia that some effort be made to give us a better coverage. Here are these facilities right to hand. If the Commission feels like linking up, all well and good, but I am not holding any brief for any one station. I am, however, making the plea that we be given a better service than we are receiving at the present time.

In 1934 and 1935 there were broadcasts made by His Late Majesty King George V on Christmas morning. We were absolutely dependent upon American stations to receive those broadcasts. I got up, tuned in on stations in Toronto, Montreal and Fredericton, and I could not get them, but I got the broadcast very clearly and satisfactorily through station WEAF in New York city. That was the experience of the majority of people in the part of the country from which I come.

Now, gentlemen, it seems to me to be rather an anomalous position to be in; that in order to receive broadcasts which are emphatically our own, we have to depend upon a foreign station to get them. I think you will agree with me in that. Surely an Empire broadcast should cover Nova Scotia through one of the Dominion stations.

On the other hand, when the broadcast of the funeral of the late King George took place as well as the inaugural address of His Majesty King Edward VIII, a very strong and urgent representation was made to the commission that the local station be utilized. That urge came from the same organizations as well as from a large number of private citizens throughout the western part of the country. These services were given over CJLC without any remuneration whatsoever to the station, and they were most satisfactory. Hundreds and hundreds of people wrote letters to the station expressing delight and satisfaction that at last they had received an Empire service through one of their own Canadian stations.

In November, 1934, a petition bearing about 1,000 signatures was presented as well as numerous letters and protests on licence payments which were made.

These were sent to the Commission. Despite this fact, there was no effort made whatsoever to meet the wishes of the people. Gentlemen, I have a very strong conviction as to the value of radio. I think it is the marvel of the 20th century, and I believe that it is a medium which is capable of the highest good, and, like everything else, it can, of course, be turned to deleterious purposes.

There is one other fact that I should like to point out; that the local station in Yarmouth covers Western Nova Scotia, Southern New Brunswick, the New England States and penetrates inward into other of the United States for a long, long distance. It seems to me that this is a wonderful medium for tourist propaganda. I venture to say—perhaps this is a little extravagant—that there are few of the Commission stations throughout the Dominion of Canada which have a better entrance into the New England States than has the local station. I am only stating this in passing, because I think it is something which ought to be very seriously taken into consideration.

When it comes to the question of people paying their licence fee under protest, I am the last person in the world to try to exonerate them from evading their duty to their country, but I have a very wide sympathy with people who figure it out in this way: We are paying a licence fee of \$2 a year, and, for the most part, we are receiving no return from it that is satisfactory or dependable. I do, therefore, want to appeal to the committee this morning to take this very seriously into consideration, because I find in my business, for instance, that it is very much better to all concerned to have a satisfied clientele than to have a dissatisfied one, and I can assure you that your clientele in Western Nova Scotia to-day is 95 per cent dissatisfied with the service which they are receiving from the Canadian Radio Commission. Thank you, very much, Mr. Chairman.

By Mr. Ryan:

Q. You are not suggesting that the Halifax or Prince Edward Island stations are commission stations?—A. They are linked up with the Radio Commission.

Q. I mean the increased cost of a set-up of these different stations would be incurred by the local stations themselves?—A. Oh, undoubtedly.

Q. With no expense to the Commission?—A. I do not think so. Mr. Charlesworth is here and could perhaps answer that.

By Mr. Campbell:

Q. Do you not receive broadcasts from the Fredericton station? It is a 500 watt station?—A. Personally, I receive broadcasts from that station throughout the day very clearly, but just as soon as the American stations come on the air it is at once heterodyned.

Hon. Mr. HOWE: I might say, just to remove any feeling of injustice about the collection of licence fees, that we only collected 31,000 fees which represent a gross total revenue of \$62,000, and when you consider that we are transmitting all the way from Montreal, I think you must admit that we are at least giving the service that the province pays for.

WITNESS: Undoubtedly, for parts of the province. That is a point which probably we might say something about. At the present time in Yarmouth County—I received this information from the Postmaster through whose hands I believe the fees are paid—there are 1,600 licences paid for 1935. I would not be afraid to wages dollars to doughnuts, and I think Mr. Potier will bear me out in this—that there must be three thousand radios in that county anyway. Now, as I said, I am not trying to exonerate these people—I pay my own licence—but I do feel that if the radio users were receiving some value they would be very much more likely to pay their licence fees than they are at the present time. I believe, in fact, gentlemen, that if satisfactory coverage were given to Western Nova Scotia licence fees would pretty nearly cover the running expenses of the station.

[Rev. H. L. Haslam.]

Mr. WOODSWORTH: May I ask the Minister what steps are taken to collect the fees?

Hon. Mr. HOWE: Of course, the fees represent a statutory obligation on everyone. They can be paid at any post office and many of the banks, and in addition to that we employ house-to-house canvassers who work in the more thickly settled parts of the country. They are furnished with lists of those who have not paid and they collect the fees through house-to-house canvassing.

Mr. WOODSWORTH: Are prosecutions entered upon in the event of non-payment?

Hon. Mr. HOWE: When all other means fail we finally prosecute. After three notices and one personal call is made prosecutions follow.

Mr. JOHNSTON: How many prosecutions have taken place?

Hon. Mr. HOWE: About 2,000 prosecutions this year, I am informed.

Mr. HANSON: They work on a commission basis, do they not?

Hon. Mr. HOWE: Yes.

Mr. HANSON: What commission do they receive?

Hon. Mr. HOWE: 25 cents for a \$2 licence. That is intended as a sort of clean-up. After we have given people a chance to pay and they do not pay, then we use the house-to-house canvassers.

Mr. WOODSWORTH: Is there any indication as to how many prosecutions there have been in Western Nova Scotia?

Hon. Mr. HOWE: We have not the information at the moment, Mr. Woodsworth.

By Mr. Campbell:

Q. While we are waiting for this information, may I ask if the condition you speak about is peculiar only to your section, or does it exist in other sections as well?—A. I have not heard of any other part of Nova Scotia, which does not receive either the Sydney station or the Halifax.

Q. What about New Brunswick?—A. There are parts of Southern New Brunswick which are not receiving the best coverage.

By Mr. Dupuis:

Q. Do you know if any citizens of your district have been prosecuted?—A. I do not know of any at all.

By Mr. Campbell:

Q. Have these complaints been made through these organizations you spoke about to the Commission on several occasions previously?—A. As I stated a while ago, there was a petition sent in with about 1,000 names on it asking for a better coverage.

Mr. HANSON: I might say that the same condition prevails in central and north British Columbia as well as in the Yukon. We can hear the American stations, but the Canadian stations are drowned out by one or two of the American stations. I think the Commission should look into that and have that condition corrected. It is the same as what has been described in Nova Scotia.

Besides what I filed this morning with the committee I have received dozens of letters from individuals which I did not deem it necessary to file with the committee.

The CHAIRMAN: Are there any further questions the members wish to ask Mr. Haslem? There are no further questions, Mr. Haslem, and I wish to thank you.

Mr. Livesay of The Canadian Press is here, gentlemen, and he wishes to make a brief statement concerning the representations that were made to the

committee yesterday by Mr. Moore of the Transradio Press Service of New York.

Mr. COCHRANE: Mr. Chairman, before calling Mr. Livesay, I have a letter here which I received from Mr. Purdy, member for Colchester-Hants, and I would like to put it on the record. Do you wish me to read it?

The CHAIRMAN: No, just give us the sense of it.

Mr. COCHRANE: It is in connection with interference in the town of Truro. The inspector receives \$15 per month, and he has no authority. The accompanying letter reads:—

Now that the Radio Commission are sitting and new licences are starting, it would be a good time to bring up the disapproval of this section paying \$2 when there is so much interference by electrical appliances and no authority given by the government to stop it.

We claim that if the people cannot make the people put condensers on pumps, etc., they cannot collect radio licences legally, as for instance, car licence, one must have the roads to travel on before the government can expect to collect the licence, although a man owns a car and keeps it in his garage. One thing more, an interference man is paid in this county, what for? He cannot order people to stop making a nuisance over their electric appliances, so why not save that expense.

Thanking you for bringing this before the Government.

That letter is from A. E. Forse and is addressed to Mr. Purdy.

Mr. MASSEY: Mr. Chairman, in regard to communications received which are essentially local, is this committee prepared to give consideration to individual cases?

The CHAIRMAN: No, I do not think we should go into them, because, this is a matter for administration by the body which is going to run the radio business whether it be the present Commission or another body. I think it is a matter for administration. These are local complaints, and I do not think it is wise to go into them.

Mr. MASSEY: Once you start you will have an endless number, because everybody is sending complaints.

The CHAIRMAN: I allowed Mr. Cochrane to read that letter because he has been very generous in giving other members the floor most of the time.

Mr. MASSEY: The reason I mentioned the matter is because I have a sheaf of correspondence upstairs which I have not troubled to place before the committee.

Mr. DUPUIS: Mr. Chairman, I think the officers of the Radio Commission should give a statement as to the number of legal proceedings which have taken place in each Province.

Hon. Mr. HOWE: I might say that the Commission does not collect the licences. The licences are collected by the Department of Marine. Mr. Edwards is here and he perhaps could give you that information.

Mr. EDWARDS: It is down in the office. We will send for it and file it with the committee.

Mr. J. F. B. LIVESAY, recalled.

Mr. Chairman and gentlemen, I was in Montreal yesterday and, therefore, I had not the pleasure of hearing Mr. Moore, the President of Transradio, who I am sure is a very amiable gentleman. I only saw the evidence late last night, and I have not been able to digest the whole of it. There are certain points which I think the Canadian Press, with your kind permission, should be entitled to answer. We had the honour on April 7 of presenting our case to this com-

[Mr. J. F. B. Livesay.]

mittee. At that time it did not seem necessary to elaborate on the functions of The Canadian Press. It is a well recognized Canadian institution, of which the Canadian people are proud. In fact, it is a pattern to the British Empire in the way of news-gathering and news distribution. But after what Mr. Moore has said, I should like very briefly to say one or two things about The Canadian Press. It is co-operative; it is mutual; there is no share capital. There are only memberships; and each member from the smallest to the largest, from the *Guelph Mercury* to the *Toronto Star*, has an equal vote. That, gentleman, is a rather remarkable example of a co-operative association, and it works. It has worked for the last 29 years, and I maintain it will work as long as this country endures. We are, therefore, a little sensitive about some of the things Mr. Moore said about us.

The news service is objective and not interpretative. We serve all the newspapers of Canada and therefore we have to be strictly non-partisan, unbiased, and sometimes even a little dull. The Ottawa report that you see going out from here day by day, I think, demonstrates that we do not put colour or partisanship into the news reports. There was some reference by Mr. Moore to our cable service. We are very proud of the fact that our cable service is based on the admirable world reports of the Associated Press which, like us, is co-operative and mutual, has no strings on it. In New York we maintain a very capable cable staff—six competent Canadian editors. We assemble there also the service of Havas from Paris; of Reuters from London, the news agency of the British Empire, closely allied with the United Kingdom Press Association which like us is co-operative; and also cables of our own men, whether they happen to be in London or Geneva or wherever they are. Thus the whole service is co-ordinated in New York. So when Mr. Moore suggested at one point that the raw product of the A. P. reaches this country, he was wrong. It comes through our own staff. The A. P. is also objective. The A. P. will not deliberately put any partisan slant on the news. But after all we are all human. As a Canadian I look at news from a Canadian angle. As an American, the A. P. reporter, whether he is in China or whether he is in Rome, looks at it from the American angle. We do our best to take that out of it before it reaches here; and I think, on the whole, we succeed.

By Mr. Campbell:

Q. You have your own men. This was a point which was brought out yesterday. You have your own representatives in the Associated Press offices?—A. We have six men there.

Q. Representing you?—A. Yes, six Canadian Press trained cable editors; and no Associated Press news reaches this country except through us.

Q. Through these six men?—A. Yes, through our printer wire from New York into Toronto, Ottawa and Montreal. Thence it goes in a fan all over the country.

By Mr. Ryan:

Q. Is it quite correct when you say that you serve all of the newspapers of Canada?—A. Well, there are one or two very small exceptions. If you like, I would be glad to give them to you. Is it necessary?

Q. Is there any condition imposed at all in connection with the service?—A. Yes. There is an entrance fee. At the present time, to be frank about it, there is a member we would like to get in, in Quebec; and I think the entrance fee bars the way. It is unfortunate because I went to this particular paper—*L'Action Catholique*—some years ago, ten or twelve years ago, and pleaded with them to come into the membership. Since that time this membership fee has been established and they find it a hurdle pretty hard to get over. Their circulation is growing and they need our service.

By Mr. Johnston:

Q. What is the entrance fee?—A. L'Action Catholique, Quebec City.

Q. No, not the name of the paper; what is the entrance fee?—A. The entrance fee is \$50,000.

Q. No wonder it bars them.—A. Well, gentlemen, may I have an opportunity of explaining the idea of this? You belong to clubs, country clubs—

By Mr. Edwards:

Q. It is a graduated fee, is it?—A. Yes, a graduated fee according to assessments.

By Mr. Campbell:

Q. Is the assessment fixed by the circulation?—A. No. The assessment is fixed on the population basis, what we call a national assessment; that is to say, the cost of carrying the overhead and the executive of the whole association. This is probably about one half of The Canadian Press service cost of the average individual paper, remaining cost being made up of circuit costs and wires and so on. The entrance fee is fixed at three times the annual national assessment cost. The ground of that is this: You belong to a country club. You go into the wilderness and you spend a very large amount of money in equipment and so on. When a new member comes along, you expect him to pay an entrance fee so that he will make some contribution to what has been spent in all the previous years.

By Mr. Ryan:

Q. Have you ever refused the facilities of the Associated Press to any paper which was prepared to pay the entrance fee?—A. There was one membership refused in Ottawa.

Q. How is it regulated by your association?—A. I may say the entrance fee is really not the main hurdle. There must be a two-thirds approval by the Board of Directors.

Q. By the membership?—A. No, by the Board.

Q. Do you not think it would be a good idea to alter that resolution of your association, and give every paper which is prepared to pay the entrance fee the facilities of the Associated Press?—A. Unfortunately, I am not on the Board of Directors and I would prefer not to offer an opinion.

Q. What is your personal opinion?—A. I would prefer not to offer it. I do not think it is within my scope. With the permission of the chairman I shall continue.

By Mr. Martin:

Q. You are general manager, are you not?—A. Yes, and Secretary. Mr. Moore in his evidence, as far as I have seen it—I have not been through the whole of it—made certain rather broad charges, which I think it is necessary to quite completely deny. No. 1: Canadian Press does not ask and has not asked that Transradio or any other news service be shut out of Canada. No. 2: Nor does it seek to monopolize the broadcasting of news. No. 3: It is not asking for any government subsidy. We did ask originally the government to help us possibly through their own wireless emission stations to distribute our radio news bulletins so that we could get on the air at the adequate hours. I need not remind the committee that we are now on the air once at night; and in order to meet this foreign competition we feel that we should be on the air during the daytime hours. The Canadian Radio Broadcasting Commission has no day wire facilities, broadcasting facilities, no network; therefore we have to think out how we can do the job ourselves. It would be a tremendously expensive thing to distribute a thousand words to every station in Canada from Toronto on an overhead telegraph toll basis. We had in mind the idea that we could

[Mr. J. F. B. Livesay.]

enlist the sympathy of the government in working out some plan. We had under consideration an emission by the Canadian Marconi from its station at Drummondville, which would hook up very well with the idea we had of an Atlantic Canadian Press emission. By the way, you might be interested to know that The Canadian Press has arranged to put a news bulletin service on the Queen Mary on its initial voyage, which will cost the Cunard Company nothing. So we came before you on April 7 with the memorandum which, among other things, mentioned that point. But in the meantime it had been solved. The two land telegraph companies in agreement offered to transmit and carry this for us on a very reasonable basis, an inclusive rate to each radio station of \$10 a week, by tape ticker right into the station. On a wholesale basis the thing is practicable; not on a retail basis. We have, of course, our own wires. But we cannot give them up for the handling of radio news bulletins, especially at the very busy time of the day. So that point, Mr. Chairman, has been definitely solved without any aid from the government or this committee; and the telegraph line companies are now working out the details, and we hope to start on the first of June.

To the other things that we asked for I would like to refer very briefly a little later on, if I may. With regard to No. 3, I said in answering Mr. Moore that the Canadian Press is not asking for any government subsidy. Those are the three main things he said. The situation was so fully explained on April 7, I do not think I need go over it any more. But I would like to answer specifically one or two things that Mr. Moore said. I am very sorry he is not here. May I read from his evidence? He says:—

The right of Transradio to gather its own news and to distribute it to its radio clients is now being challenged in Canada by the organization which represents a considerable portion of the Canadian publishers.

This organization, known as The Canadian Press, is now seeking to monopolize the broadcast of news by a most undemocratic scheme.

He goes on to say, after reviewing what has been going on in the United States:—

Simultaneously in Canada the Canadian publishers were effectively restricting the broadcast of fresh and complete news by radio stations.

I submit, Mr. Chairman, that that is untrue. We furnished your committee on April 7 with a copy of this memorandum, *News on the Air*, in which the history is traced of the radio on the air in United States as well as in this country. It is true that three and a half years ago most of our membership—myself included—were opposed to the free broadcast of news on the air. We have come a long road since then; and at our recent annual meeting unanimous approval was given to the proposal of these three-a-day bulletins on which we are now starting work. It has been a hard road, but it has been brought in on us largely because of what has been happening over the border by infiltration, and finally by Transradio coming into this country and selling its regular news bulletins to the individual Canadian broadcasting stations, especially the smaller ones which have the intensive coverage that Transradio could not get through casual radio infiltration across the border. It seems to me quite immaterial whether the head office of Transradio is in New York, New York, or Newark, New Jersey. I am sure that Mr. Moore would agree with me that Transradio sprang out of the loins of WOR, the station owned by the *Bamburgh Departmental Store*, a very fine store, in Newark, New Jersey. But before your committee yesterday he rather stressed the point that it was the lusty offspring of the "Holy Deadlock" between the newspapers and the radio interests of the United States. Quoting again from Mr. Moore's evidence, he uses terms like these, that Canadian Press is carrying on a subtle and insidious policy of conspiracy. Gentlemen, those charges are ridiculous. We have no time to think about high politics. All we are concerned

with is to get on the air and stay on the air. Then in one place he makes a rather interesting statement that I would like to read, if I may. It is as follows:—

Behind this subtle plan is the determination of the publishers to prevent radio from gaining any additional advertising business which the newspapers feel belongs to them.

That is, that the Canadian newspapers are the parents of this subtle plan. I would like to make very clear what Mr. Preston, our president, made clear I think on April 7. The Canadian Press has nothing to do with advertising. Canadian Press is trying to do an honest and workmanlike job for the Canadian people. It abhors propaganda, the capitalistic control of news and government subsidies. It will never sell its news to advertisers on air or land, for it would then have to think in terms of advertising, not news. Its co-operative owners, the daily newspaper publishers of Canada, are in thorough agreement on this.

I would like to give you, for a minute, a practical idea of how this Transradio business works, particularly in answer to what Mr. Moore says about advertising. It is a fact that The Canadian Press news bulletin put on the air over the Radio Commission's network at a quarter to eleven each evening is free of advertising, free of any sponsorship. But it commands double advertising space rate for the period immediately before and after. I think that is the answer to Mr. Moore when he says that without advertising you cannot put news on the air. I will give you two examples. The *Mail and Empire*, on September 1 last, notified CRCT that they were going off the air. They were on at eleven p.m. CRCT went to them and said, "You have been paying us for that space. We will give it to you free, because we can sell the advertising before and after." The *Mail* did not bite.

Now there is a small station in Ontario—it is not perhaps necessary to mention its name, although it is available; and I am speaking of my knowledge of about three or four months ago—which pays \$7.50 a week for the right to copy the Transradio news off the air and sell it. The minimum cost of copying is about \$17 a week. That makes a total of about \$25 a week. They get for that four periods from Transradio of news, fifteen minutes apiece. They turn around, or they did, and sell one period to a commercial company for \$10 a day. Is that commercial company interested in the character of the news that it is selling? Is that little station able to afford the employment of a trained newspaper man? They buy it like a sack of coal and put it on the air like a sack of coal. Mr. Moore, whom I so much would like to have met, seemed alarmed that we would monopolize the air, that freedom of the air would cease to exist. It rather reminds me of the dear old lady I met down in Cape Breton during the war who said to the man who asked her whether he could bathe off her beach, "Sir, as King George said to the Kaiser, the sea is free to all." Canadian Press seeks only equal liberty. All it asks of the government is, not a subsidy, but what we have at the end of the memorandum. May I quote it?

Hon. Mr. HOWE: Are you not tilting at windmills? I do not think anybody was impressed by that yesterday, were they?

WITNESS: It is my duty to say something in reply to Mr. Moore, is it not? The quote is as follows:—

The Canadian Press asks that the Canadian Radio Broadcasting Commission, or other controlling body shall continue to protect Canadian newspapers and The Canadian Press from the unauthorized use of their news by any radio station.

The Canadian Press further suggests that all broadcasting of news, including its character, volume, and periods of emission, should be subject to regulation by the commission.

[Mr. J. F. B. Livesay.]

We do not suggest putting Transradio off the air. I will just take one minute more. I am going to cut this very short. But I got a little hot under the collar when Mr. Moore was talking about the instances I gave of Transradio on the air. I think the explanation is very simple. I am quoting from that memorandum "News on the Air" incorporated in the minutes of our last Board meeting November. I was actually preparing that memorandum on October 25 at the time when I happened to hear this on the air, at my house in Clarkson, where we pick up WOR direct. I had been talking about opposition to Press-Radio Bureau in the United States, and continued:—

Opposition to Press-Radio Bureau speedily appeared. Of this we need only be concerned with Transradio News, under control of the Mutual broadcasting chain of Newark, N.J. (WOR). Unable to obtain a news service from regular channels in the United States, it contracted with Reuters of London. It broadcasts four 15-minute news bulletins a day. It is spreading its activities and recently invaded Canada by selling to radio stations in Montreal and a number of western points, which pick up its short wave broadcasts.

Were these confined to straight Reuter bulletins, we would have no cause for apprehension. But these bulletins often are "interpreted" to an extent that must make them unrecognizable to Reuters. For instance, Prime Minister Baldwin on Oct 25 stated: "I would never sanction this country going in for a blockade unless I was assured beforehand of the attitude of the United States." At 11 o'clock that evening the writer heard the Transradio announcer open his remarks by saying in effect: "Great Britain will not go to war unless assured of United States support."

I have been watching Transradio since its inception. I could have brought along a big file with things like that. It happened I was actually writing this report and I listened in on it. I wrote in my notes these words. I say, "In effect" but I think they are textually correct. I then went to the 'phone and 'phoned our office. I said, "Read me over again the Associated Press bulletin of what Prime Minister Baldwin radioed this afternoon." I had seen it in the office at 5.25. I made my notes, and it seemed rather apposite to this argument and I put it in. You gentlemen could hardly conceive that I would be clever enough to work out a little plan like that. It just happened so.

We are very much indebted to you, Mr. Chairman, and to the committee, for allowing us to make this little statement. All The Canadian Press wants to do is a good Canadian job on the Canadian air. Given the opportunity, we trust the Canadian people to prefer Canadian news to foreign news. If that alarms Transradio, it is just too bad. Thank you very much.

The CHAIRMAN: Gentlemen, I think that completes our work for this morning unless someone wishes to ask questions of Mr. Livesay. But it was just to answer some of the statements made by Mr. Moore that Mr. Livesay appeared before the committee this morning.

Mr. HANSON: Mr. Edwards was going to give us something.

Commander EDWARDS: Yes. I have the figures right here. In western Nova Scotia—

The CHAIRMAN: Before you go on, Mr. Edwards, I would like to ask if it is the wish of the committee that this document be put on the record?

Commander EDWARDS: It is a formidable list. I do not think that it is of great interest.

Mr. HANSON: No.

The CHAIRMAN: I do not think that it is of any great value.

Mr. HANSON: Mr. Dupuis wanted it.

The CHAIRMAN: Do you want it on the file?

Commander EDWARDS: What places do you want, Mr. Dupuis?

Mr. DUPUIS: I would like to put on the record the legal proceeding in each province. Have you got that for many years or only one year?

Commander EDWARDS: No. It goes right back.

Mr. DUPUIS: How far back?

The CHAIRMAN: For every province?

Commander EDWARDS: Yes. But this is just for the current year.

The CHAIRMAN: Why not wait until Mr. Edwards gets the whole thing complete?

Mr. DUPUIS: That is all right.

Commander EDWARDS: This covers one year, two thousand pages.

The CHAIRMAN: That is all right. You can bring that next Tuesday.

Mr. DUPUIS: I should like to put a question to the witness.

The CHAIRMAN: All right.

By Mr. Dupuis:

Q. Do I understand that the news received by The Canadian Press from overseas or all over the world is coming to the main office in Toronto?—A. No, sir. Until a year and a half ago we handled the Associated Press report in our office in New York with a smaller staff. We had four men there and we had two cable editors in Toronto who looked after the other incoming news. About that time we bought a service from Havas, which is laid down by wireless in New York, and it was evidently more economical and efficient to put the whole cable staff into New York and bring everything into New York. It can there be co-ordinated faster and better.

By Mr. Dupuis:

Q. Is the head office in Toronto?—A. Yes.

Q. The news comes to New York and then it is transmitted to Toronto or to all the Canadian members of the Associated Press?—A. It goes simultaneously on one printer, sir, from New York to Toronto, Ottawa, and Montreal. From Montreal it is relayed into the Quebec circuit and also through the Maritimes. From Toronto it is relayed right through to the Coast. On important news we can do a 45 second relay from New York to Halifax or Vancouver.

Q. So that the world news is controlled in New York?—A. Yes, by our own men. By The Canadian Press staff.

Q. By these six men you mentioned a moment ago?—A. Yes. They are all trained Canadians.

Q. Are you among these six men in New York?—A. No, I am in Toronto, but I make rather a hobby of the cable service and I keep a rather close tab on it.

Q. Have you any way of controlling the dispatches of the world news?—A. First, sir, we have a very capable staff. They have all been trained in the head office in Toronto. Second, we have alert Superintendents, and when the news goes out and they have any question in mind they will probably send me a message in the wire and we will check it.

Q. What about news coming from Africa concerning the Italian war?—A. We get it from three sources, sir,—the Associated Press, Havas, which is a Paris service, and Reuters from London.

Q. I understand that those three sources are combined?—A. They are co-ordinated. So far as we can, we prefer to retain their individuality. You will see in your local paper "A.P." You will see "C.P. Cable," and you will see "C.P.-Havas." That is the way we distinguish them.

[Mr. J. F. B. Livesay.]

Q. Is the news which you receive from three sources similar?—A. Well, they may cover the news from different angles. One may scoop the others. Havas beat the A.P. 19 minutes on the murder of King Alexander. Havas had a most remarkable forecast of the Hitler blood purge four days before the thing happened—one of the most extraordinary news events that I know of in my life. Four days before it happened they had a forecast that it was coming.

We have also, of course, our own men in London who handle Reuters for us, and George Hambleton, well known in Ottawa as a former superintendent of our Parliamentary Bureau, is footloose in Europe. He goes to Geneva. Recently he has been covering the Paris elections. Incidentally, I think we gave better service on the French elections than we ever have done, largely through Havas.

Q. Did you hear about the ante-dated news of the King's death? The King's death was announced three days before it actually occurred.—A. Not by The Canadian Press.

Mr. CAMPBELL: It was only four hours before.

WITNESS: It was announced on the air, I believe, in Montreal.

By Mr. Dupuis:

Q. Which source of information gave that, Havas?—A. No. It was not Havas, it was not The Associated Press, it was not Reuters, and it was not The Canadian Press. We are not concerned with the opposition's bulls and I hope they are not with ours, because we also make them.

Q. Outside of those three sources of information which the Associated Press avails themselves of, is there any other source of information?—A. Oh yes, there are numerous sources. We have a contract with the Associated Press which puts at our disposal all the news they gather. They work in alliance with, for instance, Rengo in Japan and Tass in Moscow, which has a very good objective service. They used to work with Woolfe in Berlin and with Stefani in Rome, but those have been crushed out. Havas has a very valuable connection all through Europe. It controls largely the Balkan news agencies. It has an interest in the Scandinavian news agencies, and I regard Havas as an excellent supplementary service.

Q. Who controls the Havas Agency?—A. There is a strong relationship between Havas and the permanent governing forces in France.

Q. Is the head office in Paris?—A. Paris, yes.

Q. It is of common knowledge that very often there is an agreement or understanding among news agencies to send out news according to the desire of a certain political power with a view to influencing the people where it is to be broadcast. What do you think about that?—A. The Canadian Press is free from that. We have the instinct, when anyone brings in news that they wish to get out, to throw it into the waste paper basket.

The Canadian Press, as you are quite well aware, handled the last Dominion election campaign, which was particularly difficult because of the new party. We got through that job very successfully, having no major complaints. The Associated Press is like ourselves. Both of us abhor propaganda, abhor, as I said before, capitalistic control of news, and abhor anything in the nature of government subsidies. The Canadian Press once had a government subsidy of \$50,000 a year between the years 1917 and 1924. It was not until that went that I felt a free man. We would never take it again.

You step into the European field or the Orient—even Reuters is not completely free. There you have government control in one form or another—either through propaganda or through subsidies. People say, why do you take this news? Well, news is a very vanishing commodity. If we do not jump at it, it is gone, and you have got to take the best you can, use your judgment and check up as far as you can. When you are picking news out of Berlin or Rome, The Associated Press might just as well be misinformed as ourselves. All you can do is to meticulously inspect your sources as far as you can, and if you do once

get caught—we don't very often—it is the honest thing to the people of the country to say that The Canadian Press regrets that it carried at such a time an item that was not so.

By Mr. Martin:

Q. In your news broadcasts at night or in the broadcasts that you hope will take place again, no attempt is being made or will be made to comment; that is, you give a statement of fact as you see it, and that is all?—A. Yes. We have been urged by our friends, the Radio Commission, to put a little more jazz into the thing, but I think it has become recognized that this bulletin of ours at night is sterling, and we do not want to rob it of that character. At the present time it has one serious defect, and I noticed a rather foolish remark, by my friend, Mr. Moore, that the bulletin is designed primarily not for newspaper cities. It is designed for the miner, the fisherman and people who do not ever see a newspaper; therefore, going out only once a day it must necessarily cover the whole news that has taken place in the 24 hours. To the city man it is largely news he has read in his paper. If the Radio Commission still wants that special character in broadcasts as at a quarter to eleven in the evening, namely, a 24-hour service, we shall keep it. We were doing a rather interesting job for the Commission for the winter months preparing a week's survey for the people in the far north. It went out by short wave.

By Mr. Dupuis:

Q. When you receive news, for instance, from an agency who is, let us say, sympathetic to the Ethiopian cause, have you any means at all of controlling the other side in sending out the news to state both views?—A. Our assurance is this, that we have three major news services each of which, I think, is in the main objectively honest, and those are the Associated Press, Reuters and Havas, and between the three we check up pretty well. If it should happen sometimes that they do not jibe, then we ourselves cable to London and find out what it is all about.

By Mr. Martin:

Q. Have you heard of Lord Riddell's diary?—A. Yes. He was an old friend of mine.

Q. Is there anything in peace time that corresponds not exactly to the censorship but to the sort of liaison which existed in times of war as represented by Lord Riddell at the Peace Conference?—A. There is not in the English-speaking world, there is not in France, there is not in the Scandinavian countries, but there certainly is in the Facist countries and in Russia, to some extent.

By Mr. Ryan:

Q. Germany?—A. The old Woolfe service has gone.

By Mr. Dupuis:

Q. Have you a source of information coming from Rome?—A. We have the Associated Press Havas, and Reuters from Rome, all independent.

Q. What is your opinion about the censorship applied to news going from the Italian Government?—A. It is unfortunate, but what can you do about it?

The CHAIRMAN: If we are through with Mr. Livesay, I think that completes our work for this morning.

By Mr. Campbell:

Q. In connection with the news that you send out, would the station manager or the editor be allowed to delete or use any part of it?—A. No, we will not let him do it because we are responsible for it. We will not let them monkey with it. That is where the danger comes in. I would like if I might

[Mr. J. F. B. Livesay.]

say one thing that would perhaps give you an idea of the Canadian Press. Liberals think we are Tory; Tories think we are Liberals, and I think Mr. Woodsworth generally thinks we are independent and fair.

Mr. MARTIN: I think we all think that is what you should be.

The CHAIRMAN: This completes the work of this morning. Next Tuesday the telephone representatives are going to be here.

Whereupon the committee adjourned until eleven o'clock a.m. Tuesday, May 12, 1936.

APPENDIX No. 4

SUBMISSION BY JOSEPH A. BRADETTE, M.P., MEMBER FOR COCHRANE, ONTARIO

In Northern Ontario we appreciate the work of the Radio Commission.

There are obstacles to surmount which I am going to enumerate in a moment. Criticism mostly constructive.

There has been great improvement in the radio reception throughout Canada generally, but not in Northern Ontario.

The Commission or some of its members did not visit our section during the course of last year as promised.

The Radio situation in this district, in so far as Canadian stations are concerned, is still most satisfactory. CKGB at Timmins has become a success as far as reception in that town is concerned, but it is most disappointing for other localities. I have no doubt that that station is greatly handicapped by having such a poor wave length, namely: 1420 k.c. It is impossible to get them after dark without a whistle caused by other stations on the same wave length.

Of course we never imagined that these local stations would be a solution of our problem, and although they remain a permanent feature, we are looking for the day in the near future, for a high power station of no less than 25,000 watts, that will broadcast national programs with efficiency to every section of Northern Ontario and which we will not get otherwise. A smaller station will be practically of no use on account of the large area to cover. If I understand that situation right, a 100 watt station will only cover a radius of 30 miles, a 1,000 watt station will cover 60 miles, and a 10,000 station will cover 100, or to use a technical formula: The increased coverage equals increase of power squared.

THE EXPANSE OF TERRITORY MUST BE CONSIDERED

Must extend to Moosonee, to Northern Quebec, westward along the Trans-continental.

All sparsely populated district, but if there is one section of the population who deserve good service and reception, it is these people, on account of their isolation, and the time it takes for them to receive the national and international news. We are not parochial as to where that station should be located. Where it will give the best service to the greater number of people, is all we ask.

READ RESOLUTION

The main Canadian Radio Commission station in Toronto, that is, CRCT, has not been heard satisfactorily in N.O. since they changed their wave length from 840 to 960 k.c. some months ago. On their present frequency they are hopelessly heterodyned. According to comments in the Press, even in Toronto itself, CRCT is received only with a bad whistle in the background.

CRCM, the Montreal Canadian Radio Commission station, is also seldom heard free of interference. CKAC comes in fairly well after dark until about 11 p.m. when it is ruined by a Mexican station.

CRFB, the Rogers Station in Toronto, is really the only Canadian station on the broadcast band that comes in N.O. with any consistency or clarity. Unfortunately it is on a frequency of 690 k.c. while WLW, the Crosley station at Cincinnati, is on a 700 k.c. frequency and has a very bad habit of swinging on their frequency, at times bad enough to drown out CRFB altogether. Further-

more, WLW will shortly start on steady operation if they have not already done so; their new 500,000 watt transmitter, the most powerful in the world, and it would appear to me that once they do this, it will be almost impossible to listen to CFRB as long as the two stations remain on the adjacent frequency channels of 700 and 690 k.c. respectively.

As far as the regular broadcast band is concerned we still get very little daylight reception. Timmins, of course, and to a very limited area, do come audibly, although weakly, and under favourable conditions CRFB and WLW.

I am of the opinion that, the solution of adequate Canadian radio coverage of the North at reasonable cost lies in Short Wave transmission. The C.R. Commission deserves a great deal of credit for reopening station VE9GW on 49.22 metres at Bowmanville, and through this station we do hear many of the Commission's programs in daylight. Under most conditions VE9GW comes in fairly well from early morning until about 10 p.m. when it is on the air. But alas! there's the rub! several days a week VE9GW does not go on the air till noon. They should be on every day, including Sunday, from 8 a.m. on. Further, once the U.S. 49 metres stations get going, VE9GW is badly crowded, and it is very difficult to listen to it without W3XAL Boundbrook butting in. I would recommend that if at all possible, they use more than one frequency simultaneously, and if a channel can be obtained, one between 50 and 60 metres, would, I think be best.

There is a great deal of room for improvement in the international allocation of short wave frequencies for broadcast purposes. For instance, GSA at Daventry, England, comes in quite well after dark but is drowned out by W3XAU Philadelphia or WIXAL Boston, if either are on the air. The Boston station is particularly bad, as their programs are of the cheapest commercial type, advertising cut rate clothing stores, etc., of interest only, if at all, to listeners in Boston. Short wave reception is world wide, and the programs should be arranged accordingly.

In connection with the very good reception during daylight from VE9GW, except for interference late in the afternoon and the evening from the U.S. station, one point that should be brought home very forcibly is the comparative cost of operating one or more of these short wave transmitters, to give adequate coverage to Northern Canada, and the cost of broadcast band transmitters.

VE9GW is only 400 watts. CFRB is 5,000 watts or more. Plenty of U.S. stations use anywhere from 50,000 watts to 500,000, yet no broadcast band station ever comes in up in our section, in daylight, with one-quarter of the volume of VE9GW.

I think that I am safe in stating that the Canadian Radio Commission should operate four or five short wave transmitters of the same power as VE9GW for less than the cost of one 5,000 watt station on the broadcast band, and secure excellent reception all day and most of the evening. These short wave transmitters should be located so that each section of Canada would be able to hear at least two, and the programs of course should be different. Under some conditions 25, 31, or even 19 metres wave lengths transmit better, and if possible each station should transmit simultaneously on more than one short wave frequency, the same as the British Broadcasting company do now with their English programs.

PAYMENT OF LICENCE

I have advised owners of radio sets to pay, but cannot blame them if in some cases they refused. I have many personal recollections of getting good reception from Germany and England, yet I could not even hear a sound from any Canadian Station.

Always received good attention to my requests when placed before the Commission.

Enquiry and solution of local difficulties.

Attention received by the Sec. Lt.-Col. R. P. Landry. The advice that he gave me.

Commission owes it to itself as well as to the country to use, at least, an hour per month to tell the public of its activities.

I followed with interest the tour of Commissioner Maher in the west last summer. It proved beneficial to every one concerned and no doubt has prevented a lot of criticism.

I extend thanks to the committee and particularly the Chairman for the privilege of presenting my statement and for having this short brief printed in the record of to-day as an appendix.

J. A. BRADETTE, M.P.

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SESSION 1936

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

TUESDAY, MAY 12, 1936

WITNESSES:

Honourable W. J. Major, Attorney General and Minister of Telephones and Telegraphs, Manitoba.

Colonel the Honourable J. L. Ralston, K.C., Montreal, representing the Trans Canada Telephone System.

Mr. E. A. Weir, formerly with the C.N.R. and Canadian Radio Commission in radio broadcasting.

OTTAWA

J. O. PATENAUDE, I.S.O.

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1936

ORDERS OF REFERENCE

FRIDAY, May 8, 1936.

Ordered: That the name of Mr. Graydon be substituted for that of Mr. Plunkett on the said committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

MORNING SITTING

HOUSE OF COMMONS, ROOM 375,

TUESDAY, May 12, 1936.

The Special Committee on the Canadian Radio Commission met at 11 o'clock, a.m. this day, Mr. Beaubien, the Chairman, presiding.

The following members of the committee were present:

Messieurs: Beaubien, Bouchard, Campbell, Cochrane, Dupuis, Edwards, Graydon, Hanson, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), McIntosh, Martin, Massey, Ryan, and Woodsworth—16.

In Attendance for representations to the Committee:

Honourable W. J. Major, Attorney-General and Minister of Telephones and Telegraphs, Manitoba; also representing the telephone system of Saskatchewan and Alberta.

Colonel the Hon. J. L. Ralston, K.C., Montreal.

Mr. P. A. McFarlane, Chairman, Trans Canada Telephone System, Montreal.

Mr. J. M. Hay, Rate Engineer, Bell Telephone Company, Montreal.

Mr. E. A. Weir, formerly with the C.N.R., and Radio Commission in radio broadcasting.

Present, subject to call if required:

Chairman, Commissioners and officials of Canadian Radio Commission, Ottawa.

Director and Superintendent Radio Service, Department of Marine, Ottawa.

Commander Edwards presented:

Statement of prosecutions under the Radiotelegraph Act, Fiscal years 1934-35 and 1935-36. Summary of convictions in Court cases *re* owners of unlicensed receiving sets. Marked Exhibit No. 32.

Mr. W. E. Powell, Commercial Department Canadian Radio Commission, filed with the committee a statement of suggestions along radio broadcasting lines, as requested by committee at a previous meeting. Marked as Exhibit No. 33.

Hon. Mr. Major called:

Mr. Major submitted a brief, a copy of which was distributed to each member of the committee. The brief was read into the record of the day's proceedings, describing the telephone system of the province of Manitoba in its relations with the Canadian Radio Commission, with an outline of its history prior to the creation of the Commission.

The witness was questioned by the committee and retired.

The witness filed map showing line routes (marked Exhibit 34a, and Network Report Log, marked Exhibit 34b).

Col. the Hon. J. L. Ralston called:

Col. Ralston submitted a lengthy brief, representing the interests of the Trans Canada Telephone System, in which the telephone lines contended that they had not received from the Radio Commission the same consideration as had the telegraph lines of the two railway systems, with respect to network broadcasts.

The witness continued his evidence until after one o'clock, when by general consent the committee adjourned to resume again at 3.30 o'clock, p.m.

AFTERNOON SITTING

The committee resumed at 3.30 o'clock, the Chairman presiding. The following members of the committee were present:

Messieurs: Beaubien, Cahan, Campbell, Cochrane, Dupuis, Edwards, Hanson, Howe, MacKenzie (*Neepawa*), Mackenzie (*Vancouver Centre*), McIntosh, Martin, Massey, Ryan, and Woodsworth—15.

Colonel Ralston resumed the submission of his brief, together with arguments in support of the telephone lines' claims.

Mr. McFarlane, supplied some information in regard to telephone matters; also Mr. Hay, of the Telephone Company. The brief appears in the record.

(See evidence this day.) Colonel Ralston retired.

After some discussion as to calling of a further witness for the day,

Mr. E. A. Weir was called:

The witness gave some evidence respecting his part in some wire line negotiations in 1933, when he was in the employ of the Commission.

The witness submitted a brief and it was read into the record of the day's evidence.

The witness retired.

The Chairman announced the organizations and persons who were expected to appear before the committee to-morrow—Wednesday—as follows:—

Mr. Howard, Montreal, representing the Wire Lines (Telegraph).

Mr. C. M. Pasmore, of the MacLaren Advertising Company, Toronto, who is to present a plan for the following organizations, as representing their combined views:—

Canadian Association of Broadcasters—Mr. Harry Sedgwick.

Canadian Association of Advertising Agencies—Mr. J. A. MacLaren.

Association of Canadian Advertisers—Mr. Glen Bannerman.

After some further discussion as to the hour and time of the next, and successive meetings, it was decided to meet to-morrow—Wednesday—at 10.30 o'clock, a.m., Room 375.

The committee adjourned.

E. L. MORRIS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

TUESDAY, May 12, 1936.

The Special Committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will come to order, we shall begin. At the last meeting of the committee Commander Edwards was asked to present the number of prosecutions by provinces under the Radiotelegraph Act. He has furnished the committee with that information this morning.

See Exhibit 32.

I might inform you that your subcommittee held a meeting on Saturday, with a view of trying to complete the work this week. To-day we have representatives of the telephone systems of Canada and the telegraph line companies, who wish to make certain representations. There is Mr. E. A. Weir who is here and wishes to make certain suggestions to the committee. We have also received a letter from Mr. Burlap who wishes to make a brief statement to the committee. The Broadcasters' Association will be here to-morrow. That is the report of the subcommittee.

Mr. McINTOSH: Who does Mr. Weir represent?

The CHAIRMAN: Mr. Weir was formerly director of the Canadian National Railways' Radio Department, and was associated with the Radio Commission for some time.

This morning we have Hon. Mr. Major, Attorney-General for the province of Manitoba, who is here representing the telephone systems of the three western provinces, Manitoba, Saskatchewan and Alberta. We also have Hon. J. L. Ralston representing the Trans-Canada Telephone System. Is it the pleasure of the committee that we call Hon. Mr. Major first?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Will you come forward, Mr. Major?

WILLIAM J. MAJOR, called.

The CHAIRMAN: Has every member of the committee received a copy of the brief?

Mr. McINTOSH: I think so, Mr. Chairman.

WITNESS: Mr. Chairman, I appear as Minister of Telephones for the province of Manitoba. I also have with me a letter from Hon. Mr. Patterson, Premier of Saskatchewan, who is also Minister of Telephones there. I shall read it:—

REGINA, March 28, 1936.

HON. W. J. MAJOR,
Attorney General and Minister of Telephones,
Province of Manitoba,
Winnipeg, Man.

DEAR MR. MAJOR:—

I sincerely hope that you will find it possible to appear before the House of Commons Committee which is being appointed to consider the radio broadcasting situation in Canada, to speak for the western telephone systems.

You have full authority to speak on behalf of this department and we will be glad to support you in any recommendations or requests which you may place before the committee.

Yours sincerely,

W. J. PATTERSON.

Then I also have a letter from the Deputy Minister of Telephones, Alberta Government Telephones, dated at Edmonton, April 16, 1936, and addressed to myself, as follows:—

EDMONTON, ALBERTA,
April 16, 1936.

Hon. W. J. MAJOR,
Minister of Telephones,
Winnipeg, Man.

DEAR MR. MAJOR:—

Further to my telegram of to-day, it would be much appreciated by us if you would represent the Alberta Telephone System before the parliamentary committee on broadcasting at Ottawa.

Owing to the Minister being absent from the city, I was unable to send you a letter signed by him, but I can assure you that he is in accord with our presentation of the question.

Yours sincerely,

J. D. BAKER,
Deputy-Minister.

My brief, which has been distributed, deals with the situation regarding the transmission of programs of the Canadian Radio Commission over the three prairie telephone systems, all of which are owned by the people of the provinces; in other words, they are publicly owned systems.

This brief is presented on behalf of the publicly owned telephone systems of the provinces of Manitoba, Saskatchewan and Alberta. In addition to owning and operating its telephone system the province of Manitoba owns and operates radio station CKY at Winnipeg and radio station CKX at Brandon.

It is presented to the Special Parliamentary Committee on the Canadian Radio Commission for the purpose of showing,—

1. The position occupied by the three Prairie Telephone Systems.
2. The relation of the Prairie Telephone Systems to radio programs.
3. The relation of the Prairie Telephone Systems to the Canadian Radio Commission and the efforts made to assist the Commission.
4. The treatment accorded to the Prairie Telephone Systems by the Canadian Radio Commission in transmission of programs.

1. The position occupied by the three Prairie Telephone Systems

For many years the Provinces of Manitoba, Saskatchewan and Alberta have owned and operated their telephone systems. They are operated on a cost basis. Service is provided to their patrons without any thought of making profit for the government or providing revenue for any purpose other than for the maintenance and operation of the telephone system and for depreciation and replacement purposes. These telephone systems have rendered a useful and very essential service to a very large number of rural and farm residents of the three provinces.

[Hon. W. J. Major.]

During the past five years the economic condition of the rural and farm population has been such as to render it impossible for thousands of them to maintain their telephone services. The result has been in many parts of these provinces a complete demoralization of telephone service.

This has resulted in heavy losses of revenue to the telephone systems and in order to safeguard the investment every possible effort has had to be made to protect the sources of revenue open to them and to secure such additional sources as may from time to time appear.

Several years ago the telephone systems of the prairie provinces in conjunction with the privately owned telephone companies of Canada inaugurated one of the most important developments in telephone communication yet known by building the Trans-Canada Telephone System.

This Trans-Canada System was built in individual units and in each of the three prairie provinces there is a distinct section of this system built at the expense of the province as part of its telephone system, providing a fast and reliable service for Trans-Canada business. The Trans-Canada system covers a route of 4,260 miles. It is of the latest and best approved methods. It is equipped with practically every known device useful and necessary in the successful operation of telephony.

Throughout the entire route some 30 repeater stations have been established and with improved carrier equipment, transposition methods and special insulators the highest grade of service is provided for even the longest call.

2. The relation of the Prairie Telephone Systems to Radio Broadcasting

A very important element which entered into consideration of building the Trans-Canada Telephone System was the use to which the telephone facilities could be put in the transmission of Radio programs. In Manitoba the telephone system has been in the radio broadcasting business since 1922 and has successfully operated two radio broadcasting stations, one at Winnipeg and the other at Brandon. Frequently, in fact almost constantly, the telephone services are used to tie in the two stations.

The experience in Manitoba over a number of years has shown that to successfully transmit radio programs the greatest of care must be exercised in having transmission equipment of the highest possible order and constructed especially for the purpose.

As an illustration of the special type of construction required for broadcasting purposes the following can be offered to show the care exercised in building the western sections of the Trans-Canada Telephone System:

The facilities for broadcast programs throughout are composed of high grade heavy copper circuits. These lines are built to exacting specifications, fitted with special insulators and spacing between wires is less than others transposed on measured lengths to avoid noises and interference. Stouter poles are used on 6.4 mile sections, 130 feet apart; no adjacent grounded lines are permitted on pole line. All terminal and intermediate cable is "Pupin" coil loaded for the full range of broadcast music and equipped with standard broadcast filters. All lines therefore carry high grade transmission and produce a flat characteristic. Two pole line routes are thus equipped on different road allowances. The maintenance is high grade. The lines are tested daily and hourly. A full frequency over all run test is made each day which must conform to specification for same at all frequencies. The circuits are equipped with automatic regulation and pilot channel. This gives automatic signals on any change occurring in the broadcast circuit. Experts are always in attendance.

Telegraph circuits do not commence to compare with telephone circuits from any broadcasting standpoint. The very nature of a telegraph route with adjacent grounded or other disturbing circuits, makes it impossible under

existing conditions to produce high grade transmission. It is believed that Canada is the only country in the world to attempt to transmit programs over telegraph routes.

By Mr. Martin:

Q. Have you ever used the telegraph service at all in connection with these two stations?—A. In Winnipeg and Brandon?

Q. Yes?—A. Not that I know of.

By Mr. Ryan:

Q. You are speaking of Alberta, are you?—A. Well, I am speaking generally of the three provinces.

Q. The expense that you have gone to in the erection of these lines does not apply to all three provinces, does it?—A. Yes, to all three provinces.

Long before the Canadian Radio Commission came into existence the telephone systems were engaged in building up a business of transmission of radio programs. The business interests of Canada, radio station owners, advertising agencies and advertisers, availed themselves of these services with satisfactory results to the public, to the patrons and to the telephone systems. In addition to providing the facilities for the transmission of national radio programs the telephone systems had developed a regional network of broadcasting stations located in Winnipeg, Brandon, Yorkton, Saskatoon, Regina, Calgary and Edmonton, all of which were tied in by their own telephone systems and known as the Prairie network.

Mr. Chairman, I have here and I would like to produce a plan showing what we know, or has been known for a number of years, as the Prairie Network (produced). It gives the details, shows the stations and how they are equipped.

This work was essentially a part of telephone development and in which the efforts were gratifyingly successful and the telephone systems enjoyed a fairly substantial revenue. In conjunction with this regional network the telephone systems were able to originate programs at various points in the provinces, encourage local artists and provide some very much needed employment to scores of artists. In Manitoba alone in the year 1932 the salary list for artists' fees amounted to \$43,359.30. An orchestra of skilled musicians was formed. Their services were used in broadcasting activities. The advent of the Canadian Radio Commission, its regulations and prohibitions, and the difficulties created due to lack of understanding and remoteness of control have reduced these regional network broadcasts to practically nothing worth while and to-day this service and source of revenue has practically disappeared.

As an illustration it is pointed out that from Manitoba Telephone Radio Station CKY during the month of January, 1931, there were 38 commercial network programs—not including hockey—carried over the telephone facilities of the three provinces for a period of 27 hours.

During the month of January, 1936, there were but 7 commercial network programs—not including hockey—carried over the same facilities for a total period of 4 hours.

3. The relation of the Prairie Telephone Systems to the Canadian Radio Commission and the efforts made to assist the commission

The telephone systems of the prairie provinces are publicly owned bodies. They are structures built in response to widely spread demands.

The officers in charge are conscious of the demands made upon them by the public whose interests they serve.

[Hon. W. J. Major.]

It is scarcely necessary to add that these men occupy very exacting positions that require patience and forbearance—positions in which they are subjected to criticism frequently unjustifiable—a criticism of which all servants of the public are familiar.

The Canadian Radio Commission is a public body. Its duty is to the public. Its position is similar to that occupied by the publicly owned telephone systems. It will thus be seen that the Government of Canada and the governments of the three prairie provinces have created publicly owned and operated units that have within themselves elements that lend themselves to co-operative action and the closest possible association.

It was therefore quite natural that on the formation of the Canadian Radio Commission with powers to launch business of broadcasting voice and musical sound throughout Canada in which the science of telephony came so largely into service, the publicly owned telephone systems should place at the disposal of the commission their services and technical advice and equipment so readily at hand. The services of their technicians, engineers and expert advisors were made available. The experience in broadcasting for the past fifteen years in Manitoba was also placed at the service of the commission. Their staffs of experts assisted in preparing plans of network arrangements which were supplied voluntarily to the commission.

The engineers of the Manitoba Station CKY have since the inception of broadcasting by the Commission kept a daily log showing engineering defects in the transmission of programs, and copies of this have been supplied weekly to the Commission. A copy of the log is submitted herewith. I propose to submit a copy of the log so that the committee may see the nature of it (produced). There is the log from February 1, 1936, to February 15, 1936, which bears the expert's findings daily as to what happens on the transmission lines in the transmission of radio programs.

The Manitoba Telephone System, in accordance with the policy of the Commission, has from time to time increased the power of its broadcasting station until today it is among the most modern and is the highest powered station existing in Canada.

The Canadian Radio Commission has frequently expressed its acknowledgement and thanks to the Prairie Telephone Systems for the assistance and co-operation with the Commission in its work.

4. The Treatment Accorded to the Prairie Telephone Systems by the Canadian Radio Commission in Transmission of Programs.

It was recognized by the Telephone Systems of the three western provinces that the cost of transmission of programs throughout the Dominion would be an item of considerable expense to the Commission. It was felt that unless the Commission, with the somewhat limited financial resources, could obtain wire facilities for program transmission at the lowest possible cost it could not begin to provide the measure or type of service expected of it. In December of 1932 it became known that efforts were being made by certain eastern interests to deprive the Prairie Telephone Systems of the transmission of programs. A telegram was dispatched to the Chairman of the Radio Commission, asking for an opportunity to make representation on behalf of these systems.

By Mr. Edwards:

Q. What would be the cause of that?—A. I suppose competition.

Q. What is the reason for your saying that?—A. What is the reason?

Q. You have good reasons?—A. We have good reasons, as I hope to show you in a moment. A telegram was despatched to the Chairman of the Radio Commission. To this telegram an answer was received to the effect that a con-

ference on land line questions was being held in Montreal on December 8, 1932, and that there was no intention of doing anything permanent until the telephone systems were able to make representations.

By Mr. Martin:

Q. You have a copy of that telegram?—A. Yes; if you wish it produced.

Q. No, not now necessarily. But it can be produced?—A. Yes, I can produce it.

This exchange of telegrams was later followed by a delegation of ministers of the three provinces who personally interviewed the Canadian Radio Commission and also members of the government and urged that the Prairie Telephone Systems be considered in the allocation of land line services. Failing to secure any definite response, representatives of the Manitoba and Alberta Telephone Systems interviewed the members of the Radio Commission in February, 1933. It was then learned that prices had been submitted by eastern land wire companies and there was considerable danger of the Prairie Telephone Systems being ignored.

By Mr. McIntosh:

Q. You spoke of a delegation of ministers. Who were the ministers?—A. Mr. Reid of Alberta, who was then Provincial Treasurer and Minister of Telephones, and later Premier; Mr. James Bryant, who was Minister of Telephones for Saskatchewan; and myself, representing Manitoba.

I might say, Mr. Chairman and gentlemen, that the information which follows is based very largely upon information of which I have no absolute, positive proof. My officers tell me that it is fairly reliable, but I have no knowledge of any contract. I know that there are contracts in existence. I have no knowledge of the terms of those contracts, no knowledge of the amount paid on them.

Q. Who will have the contracts?—A. I believe they are on record here; at least, the proceedings of the committee that I have read indicate that the contracts have been produced as exhibits. I have no doubt that the tenders, correspondence and submissions that were given prior to those contracts being made will also be here. But in any event, they will be available, I mean, for the committee to examine.

I am suggesting at this point it would be of interest to the committee to examine the tenders submitted by the land wire companies in November, 1932, and January, 1933, and to note the prices which were then asked for the transmission of Commission programs. It will be found that these prices were very considerably beyond the financial resources of the Commission.

With these prices in mind it will be of additional interest to the committee to read the submissions which were made by the representative of the wire companies—that is, the telegraph companies—to the Parliamentary Committee in 1934. At page 513 of the Minutes of Proceedings appears the following:—

Having in mind the limited funds at the disposal of the Commission, and also the fact that time would be required to develop Canadian radio activities to such an extent that additional funds would be available—either through increased revenue from licence fees due to increasing numbers of receiving sets, or through the building up of commercial advertising—the wire companies were prepared to assist in the development of a national system of broadcasting in Canada by accepting during the estimated period required for the Commission to become thoroughly organized and to firmly establish national broadcasting, such remunera-

tion for transmission networks as, while not affording an adequate return upon the investment, was within the means of the Commission, and would assist the Commission in developing the national system as rapidly as possible.

The wire companies—that is, the telegraph companies—considered that the building up of a national system to combat the steady encroachment of United States programs was of paramount importance to Canada, and were willing to sacrifice for this period a certain amount of revenue to assist in its development, in the expectation and belief that having so facilitated broadcasting in Canada, and achieved reasonable success, they could anticipate a continuance of the present network with more adequate return, and by the exercise of constant foresight, meet the most exacting requirements of the art.

The committee will note that the wire companies—that is, the telegraph companies—were

prepared to assist in the development of a national system of broadcasting by accepting such remuneration for transmission networks as—while not affording an adequate return upon the investment—was within the means of the Commission.

In order to combat the steady encroachment of United States programs and to assist in building up a national system the wire companies—that is, the telegraph companies—were

willing to sacrifice for a period a certain amount of revenue to assist in its development and in the hope that they could anticipate a continuance of the present network with more adequate return.

The wire companies were very self-sacrificing.

To show the extent of the wire companies' self-sacrifice the committee is now invited to examine the offer made by the three Prairie publicly owned telephone systems of Manitoba, Saskatchewan and Alberta, which was made orally to the Chairman of the Radio Commission and by letter under date of February 17, 1933, as follows:—

February 17, 1933.

HECTOR CHARLESWORTH, Esq.,
Chairman,
Canadian Radio Commission,
Ottawa.

DEAR SIR:

Wire Facilities—West

At a recent meeting of the Executives of the Government Telephone Systems covering Alberta, Saskatchewan and Manitoba, I was authorized to quote your Commission the following rates for wire facilities necessary to link up the stations shown on separate maps:—

	Mileage	
	Rail	Air
	Per m.	
Maximum for 1 hour	\$25 00	\$27 50
2 hours	30 00	33 00
3 "	35 00	38 50
4 "	40 00	44 00
5 "	45 00	49 50
Over 5 hours add \$5 per hour—Air		5 50

Your Commission will no doubt require additional time outside any contract entered into; for this incidental time, day use, we quote:—

	Cents per mile
$\frac{1}{4}$ hour	7
$\frac{1}{2}$ "	9
1 "	12
$1\frac{1}{2}$ hours	15
2 "	17

By Mr. Campbell:

Q. Could you explain what the differences in rates for rail and air are?—
A. As our telephone commission explained it to me, there is a rail mileage and there is an air mileage. One is more direct than the other in places; and the commission was given the opportunity of accepting one or the other.

Q. As the crow flies?—A. As the crow flies or rail runs.

By Mr. McIntosh:

Q. One is more direct than the other?—A. Yes, one is more direct than the other in some places.

By Mr. Massey:

Q. How could the rail mileage be less than the air mileage?—A. I did not say less. The question was whether air is shorter than rail. I say in some places.

By Mr. Martin:

Q. I do not understand that myself yet. You mean the wires, in the case of the rail, follow the railroad tracks; is that it?—A. Yes.

Q. And the other is as the crow flies?—A. As the crow flies.

Q. As it cuts across the country?—A. Yes.

By Mr. Johnston:

Q. How is it that the price quoted is less by rail than by air?—A. Longer distances, I suppose.

Q. I understood you to say a moment ago that the rail was shorter?—
A. No. Air is shorter.

These rates are based on a minimum use of one year and may be renewed for periods of one year thereafter, and also on the understanding that all Commission broadcasts over the three provinces would be over telephone wire facilities; in other words, that the time required per annum either for interprovincial or Dominion hook-ups would be leased from the three prairie systems, the connecting points east and west to be agreed upon.

The prices quoted cover all costs including station loops, supervisory time and any necessary monitoring. At the present time we are using our telephone monitoring and auxiliary circuits and actually we find our own system faster for this network than an exclusive circuit.

By Mr. Martin:

Q. What does monitoring mean?—A. That is a technical term, and, frankly, I cannot answer those questions.

Mr. MASSEY: To maintain the level during the program.

WITNESS:

We believe that this method of quoting will be simpler in every way for your Commission to determine costs than would be the case if the items were divided up and summarized.

[Hon. W. J. Major.]

We have no hesitation in stating that this network quoted on is more flexible and superior in every way to any other in use in Canada to-day. It has been in use for a number of years and improved to its present standard in 1932. We are not offering any cut rate scheme but are simply giving your Commission the advantage of a proportion of our time, the balance being available for other purposes, providing it can be sold, as the whole network can be set up or taken down at a very few minutes notice.

We trust that in view of our mutual interests and the many handicaps our Western Systems are operating under, our quotations will have your favourable consideration.

Yours truly,

J. E. LOWRY,
Commissioner.

He is the Commissioner of Telephones for the Province of Manitoba.

It was reported to the Ministers of Telephones of the three provinces that when this offer was submitted to the Chairman of the Radio Commission he expressed considerable satisfaction and indicated his pleasure by remarking that "this was the first ray of daylight he had been able to obtain on the land wire situation."

By Mr. Martin:

Q. This is a quotation from a letter?—A. This is a quotation from a report submitted to me by the Commissioner of Telephones for Manitoba.

In addition to this expression of pleasure the Chairman of the Radio Commission addressed a letter to the Minister of Telephones in Manitoba under date of 17th of February, 1933, in the following words:—

CANADIAN RADIO BROADCASTING COMMISSION

OTTAWA, February 17, 1933.

DEAR SIR,—I have received this morning the submission on behalf of the western telephone systems, and wish to thank you for the clearness and detail in which it is presented.

The whole question of our land wire arrangements will be taken up between now and March 31, when we hope to strike an arrangement equitable to all interests concerned. While it is, of course, impossible for the Commission at the present time to give exclusive business in coverage to the prairie telephone systems, it is the opinion of myself and also of the Prime Minister that your organizations should share in any agreement that we may in future arrive at.

With kind regards,

Sincerely,

HECTOR CHARLESWORTH,
Chairman.

Hon. W. J. MAJOR,
Minister of Telephones for Manitoba,
Winnipeg, Manitoba.

By Mr. Martin:

Q. Had you asked for the exclusive business?—A. The tender presented by Mr. Lowry did mention that that was to be for the three prairie telephones exclusively.

The Committee will note from the tender of the Prairie Telephone Systems that they were not offering any cut rate scheme—nor were they trying to get all that the traffic would bear—they were giving the Commission the advantage of a proportion of their time, the balance being available for disposal in other ways and for other purposes—an offer which stands to-day as it stood in 1933 and should in justice to the telephones systems have been accepted.

The Prairie Telephone Systems however were denied this right. In spite of the opinions expressed in the letter of the Chairman no invitation was given to the Telephone Systems to discuss the matter further with the Commission. No sharing offer was made. No intimation of any nature or kind was given to the Telephone Systems as to the disposition of the matter. It is known, however, that the right to participate in the business of transmission of programs of the Commission has been denied the Telephone Systems. It is also known that the submission of prices by the Telephone Systems was the means of bringing the original submission of wire companies down to a much lower basis that has saved considerable money for the Commission. It is also known and it is the purpose of this presentation to show that had heed been given to the just requests of the Prairie Telephone Systems a much greater sum would have been saved to the Commission.

The contracts of the wire companies are now filed with the Committee as exhibits. We presume the original tenders are also on file. If not they should be produced.

It has been suggested to the Committee that figures in connection with the wire companies' leases be not published.

By Mr. Martin:

Q. You were not given an opportunity to tender?—A. No.

The reason given is that since the business is highly competitive they should not be known.

All interested parties understand that the Commission is paying \$375,000 per annum for 6 hours on week days and 8½ hours on Sundays or 3 cents per mile per hour.

Now, as I mentioned a moment ago, Mr. Chairman and gentlemen, our information is not positive. We have not got definite proof. It is more or less hearsay but we have the information and our technicians can tell us approximately the number of hours used. Therefore, it is on that basis that my quotations are built.

By the Chairman:

Q. That is on the 3 cents per mile per hour basis which you arrived at?—A. Our information is that the contract with the telegraph companies is for \$375,000 per annum for 6 hours on week days and 8½ hours on Sundays or 3 cents per mile per hour. On the basis that over 12,000,000 mile hours were used last year this works out at a fraction over three cents per mile.

By Mr. McIntosh:

Q. I presume this \$375,000 is for, first, broadcasting performance of a competitive body and, secondly, for the purpose of saving Canada from United States propaganda?—A. It may be. In the submissions from the wire companies in 1934 they were prepared to make a sacrifice to prevent the influx of United States programs.

[Hon. W. J. Major.]

Q. They wanted to save Canada?—A. Yes.

By Mr. Ryan:

Q. It is hard for you to say just what was in the minds of the officers of the Commission when they awarded the contract?—A. Oh, yes. We were not consulted in any way. We figured out that there were 12,000,000 mile hours used last year, and this works out at a fraction over 3 cents per mile per hour on the basis of \$375,000.

By Mr. Martin:

Q. Are you telling us now that you did not even know that tenders were being asked for?—A. We were never asked to supply tenders. We voluntarily submitted figures, and we fully expected that our communications or the information that we had given to the Radio Commission would be treated with the courtesy of a reply as to whether we were high or low or what ultimately had been done.

By Mr. McIntosh:

Q. You were greatly surprised when you found out you could not tender?—A. Exactly.

Mr. CAMPBELL: That was in 1933.

WITNESS: Personally, I was in Ottawa on several occasions and made it my business to be in the Commission offices to know what had been done, and I learned in June of 1933 that the contract for the wire service had been let to the telegraph companies for a term of two years. I mention that a little later on.

The offer of the Prairie Telephone Systems for the Provinces of Manitoba, Saskatchewan and Alberta made in February, 1933 worked out on the same basis is 2.3 cents per mile per hour, approximately 25 per cent less than the Commission is now paying the wire companies.

In the light of these figures it should be observed that the Commission did not take advantage of the wire companies' willingness to sacrifice a certain amount of revenue to assist the Commission in building up a national system to combat the steady encroachment of United States programs.

I meet your thought there, sir.

Mr. MCINTOSH: I thought it was coming.

The following figures show that the Canadian Radio Commission is paying the Telegraph Companies for transmission services to the stations named in Manitoba, Saskatchewan and Alberta on a basis of 6 hours daily service at the contract price of 3 cents per mile per hour, the annual sum of \$65.70 per mile or a total for the mileage shown of \$68,216.31.

The offer of the three Prairie Telephone Systems for the same service over much superior equipment and built for the purpose was \$50 per mile per annum or a total of \$51,915. From these figures it will be seen that Canadian Radio Commission is paying to the Telegraph Companies annually the sum of \$16,301.31 in excess of the amount which the Prairie Telephone Systems offered to carry the Commission programs throughout the three provinces.

By the Chairman:

Q. The Radio Commission does not use your telephone system in the three western provinces?—A. For the Commission programs they all go over the Telegraph company lines.

The following computation will make this statement abundantly clear:—

Quotation by Manitoba, Saskatchewan and Alberta Telephone Systems in 1933—\$50 per annum per mile for 6 hours daily service.

Cost of above per annum for Western network:—

	Shortest Railway Mileage
Winnipeg to Regina..	353·2
Regina to Saskatoon..	161·9
Saskatoon to Edmonton..	329·1
Edmonton to Calgary..	194·1
Total mileage..	1,038·3
1,038·3 x \$50 — Total cost per annum..	\$51,915

Telegraph Companies present charge, three cents per mile per hour three cents x 6 hours — eighteen cents per day x 365 equals \$65·70 per circuit per annum for 6 hours.

\$65·70 x 1,038·3 equals Telegraph Co. annual charge:— \$68,216·31

Amount paid Telegraph Companies at present
for above Western network.. \$68,216·31

Quotation made by Western Telephone Systems
in 1933 for same network.. \$51,915

Excess amount paid by Canadian
Radio Broadcasting Commission
per annum.. \$16,301 31

Rate paid Telegraph Companies by
Radio Commission.. ·03c. per mile hour

Rate quoted by Western Telephone
Systems on 6 hours per day
basis.. ·023c. " " "

It is known that the original submission of the wire companies was sufficiently high to place it beyond the financial resources of the commission. That was admitted to us by Mr. Charlesworth.

The awarding of the contract to the Telegraph Companies at the price of \$375,000 or 3 cents per mile per hour indicates that these companies had an opportunity to revise their original offer.

The submission of the Prairie Telephone Systems of a rate of approximately 25 per cent less than the contract price awarded the Telegraph Companies was in the hands of the Canadian Radio Commission on the 17th of February, 1933. The contract with the Telegraph Companies was made months later.

The original contract was for two years.

Now, Mr. Chairman and gentleman, may I at this point make a request? I can understand a desire to keep submissions of prices in camera, but I am going to ask that I be given an opportunity to look at the dates of the contracts in order that I might clear up this point. I have seen a letter written by the Chairman of the Radio Commission which says that the original contract does not expire until 1936. If that is the case, the contract which was entered into in 1933 would be for three years. On the other hand, I have been told myself in the commission offices that the original contract was for two years. Now, if your exhibits are here, may I ask for the privilege of examining those contracts for the purpose of determining the dates?

[Hon. W. J. Major.]

The CHAIRMAN: I see no objection.

Mr. RYAN: There is no objection to that.

Mr. McINTOSH: I think Mr. Major should be given that information.

Mr. CAMPBELL: I do not think the contract you are referring to is there.

WITNESS: Exhibit 7 is the one.

By Mr. Martin:

Q. Did some member of the Radio Commission advise you that the contract was only for two years?—A. Two years, yes.

By Mr. Ryan:

Q. Who was that?—A. That was the chairman. No, no, that was Colonel Steel.

Mr. McINTOSH: If it was for two years, it would have another year to run.

WITNESS: There is a doubt.

Mr. CAMPBELL: No.

Mr. McINTOSH: It would be renewed again for another two years.

By Mr. Martin:

Q. Were you ever given an opportunity, Mr. Major, to revise your original submission of prices?—A. No.

Mr. CAMPBELL: The original contract is not there.

The CHAIRMAN: I thought it was filed. Mr. Charlesworth, could you give us the date of the first contract?

Mr. CHARLESWORTH: I think the first was dated April 1. It was not leased until June, but the first contract was dated April 1.

Mr. CAMPBELL: What year?

Mr. CHARLESWORTH: 1933.

Mr. McINTOSH: For two years?

Mr. CHARLESWORTH: My impression is that it was for three years.

Mr. RYAN: Where is the contract, Mr. Chairman?

Mr. CAMPBELL: I think we should have it placed on the file.

Colonel STEEL: We filed the first contract with you on Thursday of last week.

By Mr. MacKenzie:

Q. At the bottom of the previous page you state,—

It is known that the original submission of the wire companies was sufficiently high to place it beyond the financial resources of the commission.

How did you know that?—A. That came as a result of a conference we had in the offices of the commission with the chairman and the members of the commission and our own telephone commissioners of the three provinces, Mr. Warren, Mr. Baker and Mr. Lowry. And the expression of thanks—that was made on the 17th of February when they submitted their quotations—indicated that this was the first ray of daylight they had seen on the land wire situation.

By Mr. McIntosh:

Q. Was that said directly in conference or later?—A. Directly in conference, and the letter which was written on the same day expressed the same thanks to me by the chairman.

Q. Confirming that information?—A. Confirming that information.

By the Chairman:

Q. Colonel Steel, while we are waiting for that contract, can you give us the date when that first contract was entered into?

Colonel STEEL: April 1, 1933.

By Mr. Martin:

Q. For how many years?

Colonel STEEL: My impression is that it was for three years. I would prefer that you check it with the contract.

By the Chairman:

Q. Can you go on, Mr. Major?

WITNESS: The information we gained originally is wrong, because I see here the original contract was for two years. The renewal contract was extended to five years.

By Mr. Campbell:

Q. It is extended for five years?

Mr. McINTOSH: To five years.

WITNESS: Oh, it should be "for." That is a typographical error. It is for five years.

By Mr. MacKenzie:

Q. When was the renewal contract signed?

By Mr. Johnston:

Q. Is it for five yearsæ—A. For five years. The second contract is dated 17th July, 1935. If the first contract was for three years, it would not expire until the 1st April, 1936.

By Mr. McIntosh:

Q. It is for a little over half of the expiry date now?—A. Eight or 10 months to lapse.

By Mr. Campbell:

Q. When was that dated? Does it take effect from that date?—A. This agreement shall continue in force for a period of five years from the 1st day of August, 1935, after the expiration of which time it shall be fully determined and ended without notice on the part of either party hereto.

Q. Who signed that?—A. It is signed by Mr. Cartier, Vice-Chairman; Mr. Steel, Commissioner, and on behalf of the C.P.R. by Mr. Stephen and Mr. Oswald, and on behalf of the Canadian National Railways by Mr. Vaughan and Mr. Ormsby.

By Mr. McIntosh:

Q. That would continue until 1940 according to that?—A. Well, there is nothing mentioned, as far as I can see here, to absorb or cancel the existing contract.

By Mr. Ryan:

Q. You are speaking of the renewal contract?—A. Of course, as I say, I did not know whether it was a renewal or an entirely new contract. I see now it is an entirely new contract.

[Hon. W. J. Major.]

By Mr. Campbell:

Q. Were you asked to submit prices on that?—A. No. Notwithstanding the requests that were made by the telephone systems in the belief—and I think the Honourable Mr. Ralston will cover that more particularly—that these railway contracts expired in two years, we made efforts to interest the Commission in getting tenders from the telephone systems.

By Mr. McIntosh:

Q. You were refused twice?—A. Yes, we had no opportunity.

Q. What did you say was the date of that?—A. The date of this agreement is the 17th of July, 1935, which runs from the 1st of August, 1935, for a period of five years.

By Mr. Campbell:

Q. None of your systems knew anything about this?—A. No. That means that today there are virtually two contracts in existence if the first one is for three years.

By Mr. Ryan:

Q. Is the price the same in both cases?—A. I have not looked at the prices.

By Mr. McIntosh:

Q. It is more likely the prices would be the same if an open tender were not required by all competitors?—A. Of course, you have to realize that the railway companies, or the telegraph companies, were prepared to make a sacrifice in the first place. Whether they made it or not, I do not know. The brief continues.

No recognition was given to the submission of the Prairie Telephone Systems or to their requests for consideration.

It is submitted that the Commission acted unwisely and unfairly and wholly in disregard of sound business principles in contracting for a term of five years at a price greatly in excess of quotations in their possession and to the absolute exclusion of the publicly-owned telephone system of Manitoba, Saskatchewan and Alberta.

By Mr. Massey:

Q. Your submissions were for the three prairie provinces only?—A. Yes.

Q. The submissions of the telegraph companies would probably be for the entire Dominion?—A. Oh, no doubt about that.

Q. Would it not be possible that the submissions for the entire Dominion would be at a flat rate for the Dominion and would exist only for the entire Dominion? In other words, if a section were not given to them, such as the three prairie provinces, the price for the balance would be higher, and the statement that there would be a saving to the Commission might not be true?—A. They could have taken our system in the West at lower prices without any disturbance of programs at all.

Q. But it might have raised the price for the balance of Canada? In other words, there is a loophole in that argument?—A. There may be.

By Mr. Campbell:

Q. You deal with the telegraph companies, no doubt?—A. As a matter of fact, there is bound to be a system one to the other throughout the year at certain periods.

Q. Are there not some places in the three western provinces where the telegraph companies cannot give service?—A. Frankly, I do not know. Here

is a network or plans of the network of long distance lines throughout the three provinces. I submit that that network covers the three provinces so completely that it answers any argument that might be presented that we were not equipped to give the service the Commission required. It is possible that there may be points where there are no telephones, and also possible that there may be points where there are no telegraphs.

Q. Those would only be special happenings like political meetings?—A. Yes.

The action of the Canadian Radio Commission in compelling the termination of existing contracts which the Prairie Telephone Systems had made with private organizations in Canada for network facilities deprived them of a considerable source of revenue and practically destroyed one of their lines of legitimate business.

By Mr. Massey:

Q. You needed protection?—A. We, we were in the open market. We made tenders and submissions to the Radio Commission which were ignored. As far as protection is concerned, it was given to the telegraph companies.

By Mr. McIntosh:

Q. You figured the service you could give was equal to the service of the telegraph companies?—A. We did. We could give superior service.

By Mr. Campbell:

Q. At all events, you were willing to compete, and that is all you asked?—A. Yes, we are quite prepared to sit in and share the business with the telegraph companies. We were not even given that opportunity.

This treatment and the subsequent refusal of the Commission to recognize the telephone facilities for the transmission of National and Network programs shows a complete lack of understanding or sympathy on the part of the Commission to publicly owned bodies.

If public ownership is to service there must be, to say the least, a much greater degree of co-operation between such bodies than has been shown by the Canadian Radio Commission.

It is difficult to conceive of anything more detrimental to the ideal of public ownership than the action of the Canadian Radio Commission in its treatment of the publicly owned telephone systems.

In the light of the favourable manner in which the Canadian Radio Commission received the submission of the telephone systems for transmission services and for clarifying the situation in regard to cost of such services and in view of the expressions of thanks for the assistance so rendered and of their promises to our telephone systems of their utmost consideration it is hard to believe that the Commission were entirely free agents in contracting for land wire services.

The telephone systems of Manitoba, Saskatchewan and Alberta repeat that they are not profit-making organizations, that the earnings of these systems are not used for or devoted to Governmental revenues for administrative or other Governmental services. On the other hand these same telephone systems are revenue agents for the Dominion of Canada and since 1932 have collected and paid into the Dominion exchequer the sum of approximately \$385,000, being the Dominion tax imposed on long distance telephone messages. Yet an agency of the Dominion Government—the Canadian Radio Commission—has by its actions destroyed legitimate sources of revenue of the telephone systems and denied them the right to participate in the business of the Radio Commission.

[Hon. W. J. Major.]

By Mr. Martin:

Q. Have you any idea of the amount of money the telephone systems of the three provinces have lost?—A. In the way of revenue?

Q. Yes, as a result of this action?—A. I give an illustration there as to what happened to us in our prairie network. In 1931 we had 27 hours of network broadcasting in one month. In January of 1936 it was reduced to 4 by the action of the Commission.

Q. You cannot tell the committee what that amounts to in terms of dollars and cents?—A. No; it could be done.

By Mr. McIntosh:

Q. It would mean the loss of about five-sixths of your possible revenue?—A. Yes.

By Mr. Johnson:

Q. What do you mean by the statement that it is hard to believe the Commission were entirely free agents in contracting for land wire services?—A. I believe there was other influence brought to bear.

Q. But you do not know?—A. I am not making any allegations. I merely state that it is hard to believe they were entirely free agents.

Q. You mean they had pressure brought to bear from some other source?—A. Well—

By Mr. McIntosh:

Q. You did not think they were untrammelled agents?—A. The Telephone Systems of Manitoba, Saskatchewan and Alberta urge upon your committee the view that they have been unjustly and unfairly discriminated against by the Canadian Radio Commission.

That the Telegraph Companies are not entitled to and should not be given the exclusive right to carry Canadian Radio Commission programs, and

That your committee recommend that the Parliament of Canada cancel the contract made with the Telegraph Companies or require a readjustment of its provisions so that the more favourable terms of the Prairie Telephone Systems may be given the consideration to which they are entitled.

May I ask if that contract is here so that I can clear up that one point?

By Mr. Campbell:

Q. Was there not a original agreement some time in 1933 for you to have a certain portion?—A. Well, after these contracts were made there was an effort made by the Commission for a certain pooling arrangement between the telegraph and telephone companies and those arrangements were completed. Mr. Ralston will deal more particularly with that, but briefly they were that programs outside of the Radio Commission, sponsored programs that might be brought in in various ways, the proceeds would be pooled and divided between the telegraph and telephone companies. Each telegraph company would get 30 per cent and the telephone system would get 40 per cent.

Q. You were satisfied with that arrangement?—A. We were willing to do it for the period at least until the first contract expired.

The story of that pooling arrangement, however, is a very interesting one, and these gentlemen who made the arrangements can tell it to you more clearly than I can. I would ask that you put that question to them.

That is all my submission, Mr. Chairman.

Mr. CHARLESWORTH: May I ask Mr. Major one question? This relates only to the Province of Manitoba. Did you not tell me in my office a few months ago, Mr. Major, that our generous treatment of your stations in Manitoba had taken the radio section of your commission out of the red? Do you not recall telling me that?

WITNESS: No, Mr. Charlesworth, I cannot recall that. As a matter of fact, by the action of the Radio Commission in 1933 it put us in the red to the tune of some fifteen or eighteen thousand dollars. We had an arrangement which was made by the Government of 1922 whereby our own broadcasting station in Manitoba would be the exclusive station; that no licenses would be granted until an opinion had been sought from the Minister of Telephones. At the same time we were collecting the license fees, and 50 per cent of those licenses were paid to the radio station CKY which was used in the development of radio. Those arrangements were made by Mr. Lapointe, who was then Minister of Marine, and were cancelled.

By Mr. Martin:

Q. Was that Mr. Lapointe?—A. Mr. Lapointe was Minister of Marine in 1923. Legislation was then enacted to permit it to be done. Those arrangements were cancelled in 1933, shut right off. Opposition was brought in. The revenue we derived from the collection of licenses was removed, and the result was that we went very badly in the hole thousands of dollars.

By Mr. Massey:

Q. I ask this question without any knowledge of the details of the contracts or of matters pertaining to them. This is just a general question. You spoke of business ethics in the drawing up of these various contracts and the fact that you were not given an opportunity of submitting your prices. As a matter of business, if you could make a contract to cover a whole question at a certain price, and a section of that whole question could be covered by somebody else at a lesser price, but if you did that it would increase the price as a whole and the net loss would be somewhat substantial, would you give the contract to cover the whole or would you split it up into parts?—A. If I were dealing with publicly owned bodies, such as the Canadian Radio Commission in dealing with other publicly owned bodies, I would not ignore them. If, as a representative of the Canadian Radio Commission, which is a publicly owned body, I had a submission from another organization which gave unlimited service throughout the whole Dominion at a price which appeared to me to be more favourable than what the publicly owned body submitted, I would consult with them to see whether their terms were less favourable than the terms of the organization carrying the programs right across Canada by the one system.

Q. But in your opinion you would award the contract to the man who could save you money?—A. Naturally.

By Mr. McIntosh:

Q. After consultation and negotiation?—A. Yes.

By Mr. Massey:

Q. In other words, if the telegraph lines submitted a price for the whole of Canada, which was a certain rate per hour per mile—3 cents or whatever it was—and your price for a certain section of it was 2·3, and if the Commission wanted that section at 2·3 cents it would increase the price of the other companies to say 3½ cents, would you consider the Commission justified in giving the contract to the telegraph companies provided they had consulted with you?—A. There are too many provisos in that.

Q. There is just one proviso.

[Hon. W. J. Major.]

Mr. WOODSWORTH: Mr. Chairman, as a member of the committee I would say that it is not fair, without a detailed knowledge of the contracts, to put such a hypothetical question to the witness.

Mr. CAMPBELL: That is right.

Mr. WOODSWORTH: If we know the details of the contract, it would be all very well. Otherwise, a very false impression is carried out. We have no knowledge whatever that the rates of the telegraph line companies were in reality any cheaper. We know nothing about that. What is the use of putting a problem like that to the witness?

WITNESS: My statement has had to be built upon a theoretical basis, from lack of knowledge of the contracts.

By Mr. Campbell:

Q. The main point is that you were not consulted when this last contract was made?—A. Not at all.

By Mr. McIntosh:

Q. In other words, you were plainly ignored?—A. Absolutely ignored.

Mr. MASSEY: In other words, I am trying to suggest that a lot of the evidence we have heard this morning is also based on hypothesis.

WITNESS: I am quite prepared to have it examined very carefully by experts.

By Mr. Ryan:

Q. There is no hypothesis in the fact that when the second contract was entered into, you were not consulted at all?—A. There is no doubt about that at all.

Q. That is a fact?—A. Yes.

The CHAIRMAN: This contract was made on the first day of April, 1933.

Mr. CAMPBELL: What does the last section say?

The CHAIRMAN: It says: "This agreement shall continue in force for a period of three years from the first day of April, 1933.—

Mr. CAMPBELL: Then during the last part of last year we had two contracts.

The CHAIRMAN: —after the expiration of which time it shall be fully determined and ended without notice to either party hereto."

By Mr. McIntosh:

Q. There was a double contract then for part of last year?—A. For eight months you had two contracts.

Mr. RYAN: Is there any objection to the consideration of that contract being given?

The CHAIRMAN: Are there any further questions?

Mr. RYAN: I was asking if there was any objection to the consideration of that contract being given to the committee publicly?

The CHAIRMAN: It is before the committee.

Mr. CAMPBELL: He asked if it could not be given publicly.

Mr. McINTOSH: Mr. Ryan wants to know whether each member of the committee should have a copy, as I understand it.

Hon. Mr. HOWE: It is filed as a private document. We cannot do anything here that is detrimental to the business of the corporation. We could study this in camera. We are sitting in camera later on. I do not see any particular object in plastering it over the whole press.

Mr. MARTIN: We have Mr. Major with us now, and on the basis of the disclosed figure it might be possible to determine what the companies he represents or the telephone systems which he represents may have to offer as their figure.

Hon. Mr. HOWE: He may give you the figures they might offer, and when the committee sits we will have the whole story.

Mr. CAMPBELL: The point is, Mr. Howe, that Mr. Major is not allowed to even submit any figures on the term of that, either.

Hon. Mr. HOWE: I understand. But we cannot very well decide now whether we can submit remedies. We cannot argue that very well here.

Mr. CAMPBELL: That is true.

Mr. RYAN: The point I had in mind was that the Radio League has given the figure of \$375,000, which is public property.

Hon. Mr. HOWE: We will have the representatives of the telegraph companies here. They are here, and I understand they are going to give evidence.

Mr. RYAN: I did not know whether that figure was correct or not.

Hon. Mr. HOWE: I did not know either.

Mr. EDWARDS: That is hypothetical again.

Mr. McINTOSH: That has been the figure understood by the committee for quite a while.

The CHAIRMAN: Copies of both contracts are before the committee; and every member of the committee has the right to peruse them and ask questions based on them.

Mr. RYAN: The only point is that the Radio League gave a definite figure of \$375,000, which is public property; and if it is not correct it should be denied publicly. If it is correct, all right.

Hon. Mr. HOWE: I would not go into the contracts now.

The CHAIRMAN: I think probably the committee might reserve that.

Mr. CAMPBELL: We can hear Mr. Ralston.

The CHAIRMAN: Are there any further questions you wish to ask Hon. Mr. Major?

Mr. McINTOSH: Mr. Major will be here right along; and if we want him again, we can bring him back.

The CHAIRMAN: Yes. Mr. Major, I think probably this committee will make a report to the House of Commons; and if you have any suggestions, we would like to have them from you. Will you be here all day?

WITNESS: Well, I have not a brief on any other matter. We have had certain experience in broadcasting in Manitoba. I do not know whether I can add any useful information. But if the committee desire to direct a few questions to me on any points they have in mind, I shall endeavour to answer according to our experience.

The CHAIRMAN: You will be available?

WITNESS: I will be here.

Witness retired.

The CHAIRMAN: Will Col. Ralston now come forward?

[Hon. W. J. Major.]

Colonel J. L. RALSTON, called.

By the Chairman:

Q. Col. Ralston, you represent the Trans-Canada Telephone System?—A. Yes. Mr. Chairman and gentlemen, I am appearing here in association with Hon. Mr. Major, Attorney-General of Manitoba, for the Trans-Canada Telephone System which comprises the telephone systems listed on the first page of the memorandum which is just being distributed; that is, Maritime Telegraph and Telephone Company, Limited, operating in the provinces of Nova Scotia and Prince Edward Island; the New Brunswick Telephone Company, Limited, operating in the province of New Brunswick; the Bell Telephone Company of Canada, operating in the provinces of Ontario and Quebec with direct long distance line to Winnipeg; the Manitoba Government Telephone System, operating in the province of Manitoba; the Saskatchewan Government Telephone System, operating in the province of Saskatchewan; the Alberta Government Telephone System, operating in the province of Alberta; and the British Columbia Telephone Company, operating in the province of British Columbia. Mr. Major has spoken for the Prairie units of this system; that is the government systems of Manitoba, Saskatchewan and Alberta. I shall not deal with them, or with their particular situation at all. Anything which I may say which affects them as part of a general Canadian telephone system is the only reference which I will make to them.

By Mr. Campbell:

Q. This is a pooling or mutual arrangement between all these systems?—A. It is an arrangement between all these systems straight across Canada, which was inaugurated at the time the so-called Trans-Canada system was built; that is to say, a direct line from Nova Scotia to British Columbia or, as some people would like it, from British Columbia to Nova Scotia. But whichever way it goes, that was the inauguration of the Trans-Canada system; and since that time these companies, these systems, have had arrangements for toll messages and all that goes to make up a national system, made up of composite units.

By Mr. McIntosh:

Q. Another bond in the uniting of the different sections of the country?—A. Hear, hear.

By Mr. Woodsworth:

Q. The lines within each section are owned and controlled by the particular section?—A. The individuals.

Q. As I understand it, this Trans-Canada line which you spoke about is not owned and controlled by your association, but is owned and controlled by each section?—A. I think I am correct in saying that the line within each geographical unit is owned by the section and system which operates in that unit.

The units of this system extending from coast to coast provide in combination and efficient and modern telephone service for the Dominion of Canada. The personnel and equipment rank second to none in the world. Practically every known device necessary or useful to conform to up-to-date engineering standards has been adopted and installed.

I have placed the submissions on the second and third page, and they are repeated at the end. It seemed to me that it might be well for the committee to have in mind the general suggestions which we have to make, in considering the details of the brief which follows.

SUBMISSION

(1) That the whole matter of the leasing of land lines by the Canadian Radio Broadcasting Commission be revised with a view to affording to the telephone systems of Canada an equitable share of this business.

(2) That in such revision, two fundamental conditions should be observed, viz:—

(a) That no single national wire system or combination of two wire systems should have a contract to the exclusion of other wire systems.

(b) That the entire revenue from leased wires for Canadian Radio Broadcasting Commission be divided, on an equitable basis, between the telephone and telegraph systems.

(3) That in respect of commercial business the policy of the Canadian Radio Broadcasting Commission be revised so as to permit the full development of high class commercial programs under competitive conditions between all the agencies concerned, subject to regulation of the Commission.

I have set out on the next pages just very briefly some of the grounds on which I submit the telephone systems have a claim to consideration in connection with this business.

GROUND S FOR TELEPHONE SYSTEMS' CLAIM TO CONSIDERATION

(1) Telephone systems were invented and perfected for the express purpose of voice and sound transmission.

(2) Telephone systems are built to a considerably higher standard than telegraph systems in order to perform the function of voice transmission.

(3) Telegraph systems were fundamentally for a different purpose—namely, transmission of signals. It has only been by adaptation that telegraph lines have been made usable for voice transmission.

(4) Telephone systems have not only greater mileage but wider distribution than railway telegraph systems, and consequently greater flexibility of their facilities.

I have shown on the next page the difference in mileage. I think the telegraph systems have something like between three and four hundred thousand miles of wire whereas the telephone systems in Canada have something over five million miles.

(5) The telephone systems have more routes available than the railway telegraph systems. This is of particular importance for "stand-by" service in case of serious damage to pole lines, necessitating re-routing between given points.

(6) The total wire mileage of railway telegraph systems is 366,706; while the total mileage of telephone systems is 5,121,000.

(7) Telephone systems represent much greater capital investment, greater volume of business, and more employees. The total cost of property and equipment of telephone systems in Canada is \$331,000,000, while for telegraph systems—and this includes the Dominion telegraph—this figure is only \$42,000,000.

The number of messages per year handled by railway telegraph companies is approximately 10,675,000.

Compare this with the number of toll telephone messages per year which is 25,395,000.

The number of railway telegraph company employees is about 5,624 while the number of telephone employees is about 17,291. (Dominion Bureau of Statistics—Telephones, 1934 and Telegraphs, 1934).

I may say that the authority for those figures, Mr. Chairman and gentlemen, is contained in the report of the Dominion Bureau of Statistics of 1934. They issue special pamphlets containing suggestions for telegraphs and telephones; that is, so far as equipment is concerned.

Now, with regard to the activity in radio broadcasting:—

(8) Telephone systems have been intensively active in connection with broadcasting development from the inception of broadcasting in Canada.

The first network program was put on in December, 1923, when telephone facilities were provided and engineered to link up Ottawa and Montreal for the purpose of an anniversary program put on by the Canadian National Railway. This inaugurated chain broadcasting in Canada.

Telephone engineers continued vigorous research and activity on the improvement of transmission facilities for broadcasting purposes, and at the end of 1924 the telephone facilities handled another network program for the Canadian National Railway under substantially improved conditions due to research and development in the meantime.

During 1925-26 chain broadcasting continued to develop using telephone facilities, and not until 1926 were any railway telegraph lines adapted for such purposes and then only for limited mileage as they had no repeater equipment.

1927 saw the achievement of the Jubilee broadcast when lines of both telephone and railway telegraph companies were used, all the repeaters being provided by the telephone companies.

In 1929 National Broadcasting programs commenced in Toronto on a permanent basis and using telephone facilities.

That is the National Company, the American Company.

The Canadian Pacific Telegraph did not come into the picture until 1930, and it was equipped with necessary apparatus installed under the direction of telephone system engineers.

(9) Up to the establishment of the Canadian Radio Broadcasting Commission in 1932, the telephone systems had successfully competed for and secured over 60 per cent—and I think that is a low figure—of the available commercial business. This showed that when the telephone systems had opportunity for free and open competition they were able, by their service, the quality of their equipment, and the fairness of their rates to compete favourably with any other facilities in leasing wires for chain broadcasting.

The telephone systems claim therefore to be entitled to consideration on account of the fundamental suitability of their equipment for sound and voice transmission and their constant efforts to attain and maintain the highest standards for these purposes, their priority in the radio field, their intensive activity in radio research and development and their demonstrated ability by sheer merit to procure and hold commercial business against all competitors in a fair field.

(10) In 1932 the telephone companies, as a result of their research and engineering development, prepared at very substantial cost a comprehensive plan for a complete Canadian network system, both regional, inter-regional and transcontinental.

By Mr. Martin:

Q. Before you go on, on page 5 you say that the Canadian Pacific did not come into the picture until 1930. What about the Canadian National?—

A. The Canadian National began, I think, in 1926. As I point out in a paragraph or two above, that was only for a limited mileage as they had no repeater equipment at that time.

They submitted this plan to the Commission in November, 1932. It included a full study of available facilities, physical conditions and required equipment and contained a complete outline with full details for the organization and administration of a network system with detailed estimates of costs.

By Mr. Woodsworth:

Q. We had just now a contract submitted; that is, a proposed contract with the western telephone companies. At that time did the other telephone companies enter into any agreement or were they prepared to give any rates?—

A. Oh, yes, they were. I will come to that, Mr. Woodsworth, if I may. I am just trying to show what I think is the telephone companies' claim to consideration. Then I am going into the experience from 1932 on, as briefly as I can.

Accompanying this plan were sets of charts worked out to suit the changes of time across Canada, showing the possible territorial hook-up in any given region for any given hour.

This plan was submitted on behalf of the Trans-Canada Telephone System, consisting of the units above referred to.

This plan was the result of prolonged study and research by highly trained and fully qualified technicians and engineers. The whole compilation was under the direction of the engineer who supervised and successfully carried out the Jubilee broadcast—Mr. J. L. Clarke.

This plan was adopted and used by the Commission in the organization of chain broadcasting in the Dominion, with this rather disappointing modification: that the business of leasing lines was all given to the railway telegraph companies.

On the basis of the foregoing, the Trans-Canada Telephone System submits with some confidence that it was entitled to an equitable and substantial share of participation in line wire contracts for the purpose of broadcasting in Canada.

By Mr. Hanson:

Q. Would it be possible to have the plan and charts?—A. What is that?

Q. You say here, "Accompanying this plan were sets of charts worked out to suit the changes of time across Canada, showing the possible territorial hook-ups in any given region for any given hour." Would those plans be available?—A. They are available.

Q. I wonder if the committee could have that?—A. Yes, I am sure they could. I am glad you reminded me of that. I have asked to be prepared a wire map for the whole of the Dominion of Canada. Mr. Major has supplied the committee with an extremely illuminating map of the prairie provinces. I have here—and I just got it this morning—a wire map of Ontario and Quebec, showing the coverage of the telephone lines. It is similar to that in the sense that it shows the extent to which the telephone lines run. I am trying to do that for British Columbia and the Maritime Provinces as well.

By Mr. McIntosh:

Q. It is complementary to the Prairie Telephone System or network?—A. Yes, that is right. In addition to that, there is a very interesting appendix to that plan. One of the interesting appendices was this graph which showed,

[Col. J. L. Ralston.]

having regard to the changes of time, the possibilities of territorial hook-ups in each province or each region of the Dominion of Canada. As a matter of fact, I may tell the committee that the plan was based on the organization of the Dominion of Canada into four territorial regions, and that plan was adopted by the Commission. Now, having done that, and having, as we submit, some claim to consideration on account of the matters of which I have spoken, what has been our experience during the last few years, since 1932? I have headed this:

UNFORTUNATE EXPERIENCE OF RECENT YEARS

(A) *Re Contracts for Wire Service to the Canadian Radio Broadcasting Commission*

1933 Contract—2 (?) Years

I found out this morning something which confirms the letter to which I will refer—a letter from the Chairman of the Commission—namely, that that contract, while it was reported to have been for two years, was as a matter of fact for three years.

(11) As stated above, the Trans-Canada Telephone System, after research and expenditure, prepared and submitted the plan to the Canadian Radio Broadcasting Commission respecting a network organization for Canada. As a matter of fact (as stated above), that plan is the one which has been adopted and is now in use by the Commission with the exception that the telephone systems were wholly excluded from furnishing wire services.

(12) The Plan provided for a distribution of wire leasing business between the Trans-Canada Telephone System and the railway telegraph companies on a basis of:—

40 per cent for the Trans-Canada Telephone System,

notwithstanding their much greater mileage and equipment, and

60 per cent for the railway telegraph companies.

(13) The Plan went into full details as to the method of distributing this business in the various regions.

That is to say, the plan which provided in what regions the telephone companies would provide wires and in what regions the telegraph companies would provide wires, was worked on the basis of 60 per cent returns to the telegraph companies and 40 per cent to the telephone companies.

By Mr. Ryan:

Q. Did you say when it was adopted?—A. In the late Fall of 1932.

By Mr. McIntosh:

Q. A combined national hook-up?—A. A combined national hook-up. As a matter of fact, I have here the actual plan that accompanied that. Have you that plan, Mr. McFarlane? (Produced.) That plan will show the hook-up across Canada, and the use which was to be made of the various facilities. The different wire facilities are indicated by colours. I am practically colour blind, but I think I can tell what this is. The black is the cable facilities of the telephone companies; the red is the open wire facilities of the telephone companies; the blue is the open wire facilities of the Canadian Pacific Railway Company and the yellow is the open wire facilities of the Canadian National Company. That shows the use which was to be made across Canada of these different facilities in the proportion I have mentioned, namely, 60 to 40.

By Mr. Ryan:

Q. Are those plans going to be part of your brief?—A. This plan is not, but I will be glad to put it in.

Q. I think it would be well.—A. All right. It might be marked as an exhibit.

By Mr. Woodsworth:

Q. When it comes to the question of the submission of rates, was your association in a position to speak for all the telephone companies?—A. Our association would have been in a position to speak for all the telephone companies, subject to this, that the prairie provinces or any unit would have the right to come in and make a rate for its particular territory. But when it came to Trans-Canada business, this Trans-Canada Telephone System spoke for the whole.

By Mr. Johnston:

Q. Could you have competed with the telegraph lines?—A. We think we could; and we had in our commercial business previous to that, and had gotten our share of it. We had got 60 per cent and they had 40 per cent. We are offering them 60 per cent and agreeing to take 40.

By Mr. Woodsworth:

Q. I am not quite clear on that. Who would speak for the Trans-Canada Telephone System?—A. There was an association formed and Mr. McFarlane was the Chairman of the Trans-Canada Association. The records show meetings of the representatives of all the different systems right straight across Canada from time to time in connection with this very matter.

Q. That is what I was wanting to get at.—A. That will come up, Mr. Chairman and gentlemen, when I am dealing with what we call the pooling arrangement which was an arrangement—or we thought it was—for the purpose of distributing commercial business among the wire companies.

(14) The estimates of costs in this Plan were based on the schedule rates in effect by both railway telegraph companies and telephone systems at that time for any given number of hours required.

(15) Considerable correspondence ensued and various conferences were held. Early in the correspondence the Trans-Canada Telephone System was asked to give a "breakdown" of the costs mentioned in the plan and particulars. This was promptly furnished, and no objection was made.

By Mr. Martin:

Q. Asked by the Commission?—A. Yes, asked by the Commission.

(16) The Trans-Canada Telephone System was asked to furnish quotations on alternative set-ups and various supplementary services. These quotations were promptly furnished.

This was in the late Fall of 1932 and the early Spring of 1933.

(17) The last letter was written on March 2, 1933, by the Trans-Canada System at the suggestion of a representative of the Commission and contained confirmation of the quotations which had previously been furnished for various alternative services, and included in the letter was a statement of the elements making up the costs.

That is March 2, 1933; and in view of the date of this contract which has been disclosed this morning I should like you, Mr. Chairman and gentlemen of the committee, to bear that in mind—March 2, 1933. The Trans-Canada System furnished some confirmation of quotations which

[Col. J. L. Ralston.]

had previously been made—and may I stop here to say that these were not a tender in the sense that it was a final estimate. They were the same rates which had been put in the plan in November, 1932, when they were endeavouring to give the commission an estimate of what the cost would be at standard rates. They had not come to the stage of tender. They had not come to the stage of definite negotiation, sitting down with the Commission. It was simply a statement of what the cost would be at standard rates. And March 2 is the last letter.

By Mr. MacKenzie:

Q. As a basis?—A. As a basis.

(18) Nothing further was heard of the matter until it was learned indirectly that a contract had been made with the two Railway Telegraph Companies giving them the whole of the Commission's business for the furnishing of wire services without reference of any kind to the Trans-Canada Telephone System.

(19) According to the evidence of Colonel Steel given before the Parliamentary committee in 1934 (page 556-7), this exclusive contract was for approximately 4½ hours of daily program time, and was arranged about the end of April and finally signed a few weeks later.

May I just read Colonel Steel's evidence in that respect? I will read from page 554 of the evidence before the parliamentary committee on radio broadcasting in 1932. The subject is Wire Line Negotiations and reads as follows:

Upon my return to Canada in January, 1933, I found that Mr. Weir had been negotiating with all of the wire line agencies in Canada with regard to possible arrangements for wire line contracts. In view of the fact that he had already made a start, the matter was left in his hands, although this was really part of my responsibility in the Commission. After about two months I was approached by all three of the main wire line agencies in Canada with a request that I see them and discuss in detail the requirements of the Commission. They pointed out that they had been attempting to deal with Mr. Weir, but that the negotiations were in such a hopelessly involved state that none of them knew what the Commission required or what was expected of the wire line companies. They also made it very evident that they felt that, instead of co-operating with them, Mr. Weir was attempting to set one company against the other under the mistaken impression that he could thus obtain a very much lower rate.

By Mr. Martin:

Q. Good business.—A. Yes. Continuing:

After a little investigating it was found necessary to take these negotiations out of his hands during the latter part of March—

This is nearly a month after this letter had gone in from the Trans-Canada Telephone System.

—and to carry them on directly between the Commission and the companies concerned.

It turned out that the companies concerned were the telegraph companies.

By Mr. Ryan:

Q. What three companies?—A. Speaking of the Trans Canada Telephone System and the two telegraph companies, I presume.

Then he goes on at page 555:—

Mr. Weir states that it was not until May 3rd that he obtained any information with regard to our wire line or network arrangements. On March 27th the commission prepared a memorandum, outlining its plans for network arrangements for 1933.

Now, so far as our records go we have no reference whatever to that plan which the commission prepared on March 27, 1933,

This was discussed with members of the commission staff. On April 4th...

That is a month after he received a letter from the Trans Canada System.

...Mr. Weir and Mr. Dupont were called into my office and the whole question of networks was thoroughly discussed with them. I pointed out that we would have approximately four and a half hours of program time each evening, and asked each one to prepare schedules of the best hours to take on various parts of the network...

The final draft of the wire line contract was received at the end of April,

This is dated as of April 1st.

And the details were communicated to the program department about May 3rd.

On page 446 Mr. Weir states that our wire line arrangements were chaotic, and that at least five different persons were making arrangements on behalf of the Commission. If Mr. Weir or any other members of the Commission staff were dealing with the wire line companies, they were doing so in the face of instructions to the contrary, as the matter had been taken over definitely by the Commission in March, as has already been explained. There was no chaos whatsoever and a very satisfactory contract was effected within a few weeks.

I say from March 2nd, although all these negotiations were going on in March and April, although the Commission did not apparently prepare its plans until March 27, there was no communication with the telephone companies; that the discussion between the companies concerned must have been carried on with the telegraph companies, because they emerged with the contracts.

By Mr. Dupuis:

Q. You meant that the Trans Radio Telephone Company never received an answer to its letter?—A. I do not find an answer to it. There is not even an acknowledgment.

By Mr. McIntosh:

Q. That word "satisfactory" meant entirely satisfactory to the telegraph companies, not to the telephone companies?—A. Well, I will give the Commission credit; it meant satisfactory to the Commission too. But I want to say there was no opportunity for the telephone companies to say whether they were satisfied with it or not.

By Mr. Ryan:

Q. The point is negotiations were had with the three wire companies?—A. Yes.

Q. That involved the Trans Radio?—A. That is right.

[Col. J. L. Ralston.]

Q. That statement was not correct?—A. After March 2nd, no. There was correspondence up to March 2nd, but it breaks off. If Colonel Steel's evidence is correct, and I have no reason for thinking it is not, then he took the negotiations into his own hands some time in March after this letter was received.

By Mr. McIntosh:

Q. In the early stages of the problem the Trans Canada Telephone Company was in the picture?—A. That is right.

Q. But later it disappeared?—A. That is right.

By Mr. Martin:

Q. When you submitted the plan as noted on page 8, was that submitted as a result of a suggestion by the Commission, or was that purely voluntary?—

A. It was the outcome of a conference with the Commission. Would that satisfy you, Mr. Martin?

Q. Were you told that other units were preparing similar suggestions? Were you told at the time that other companies or that other interests were preparing submissions along the same lines?

Mr. McFARLANE: Submissions were made by the three units. The telegraph system and the telephone systems.

WITNESS: The telegraph systems were in this plan. They were provided for.

Q. Did they make separate submissions of their own?—A. We do not know; we assume they did, of course.

By Mr. Campbell:

Q. They got the business anyway?—A. Yes. Perhaps this may answer it. I have Mr. Howard's evidence at page 518 of the committee's evidence. Mr. Howard is the Assistant General Manager of the Canadian Pacific Railway. Mr. Howard told us of what happened between the Commission and the telegraph company. He says:—

It was a case of putting the cards on the table. They had so much to spend; we had so much service to sell, and the question was what could we give it to them for temporarily, until radio broadcasting was established in so far as the commission is concerned.

Apparently that is what took place, namely, the telegraph companies were called into consultation and told, "Here is so much money, you have so much service, what can you give us for it." The telephone systems, including Mr. Major's publicly owned telephone system, were not taken into their confidence at all in that respect.

That is the experience with regard to the two-year contract, which turns out to be a three-year contract. We know that it was a contract dated April 1, 1933, made for three years, expiring April 1, 1936, and made with the two telegraph companies to the exclusion of all the telephone systems of Canada. I have not this in the brief, but if Mr. Major will permit me to mention it, a meeting was held at Winnipeg in June, 1933, at which a very definite protest was forwarded to the authorities at Ottawa both by the Trans Canada System, as a system, and by the units themselves, in the form of two resolutions. These resolutions were sent to the Prime Minister, to the Minister of Marine and to the chairman of the commission, and will, no doubt, be on the commission's file, just to indicate that the telephone systems did not take it lying down.

By Mr. Woodsworth:

Q. From Mr. Major's evidence we learned that there were certain submissions made directly by the western companies?—A. That is so, in February.

Q. Were any similar submissions made by the Bell Telephone Company?—

A. No. The only submission made by the Trans Canada System, as a system, which included the Bell and all the others, was this quotation of rates which I have given you, a quotation of standard rates based on the plan which they had laid out.

My point is that they do not come to grips at all then with regard to negotiations, the negotiations started later after Colonel Steel got home and took it out of their hands.

Now, then, the 1935 contract which is for five years. On May 28, 1935, it was assumed the 1933 contract was expiring. As Mr. Major said, the general report was that that contract had been for two years; therefore it was assumed that that contract was expiring. Colonel Steel said it was made sometime in May and we assumed it was expiring about that time, so the Trans Canada Telephone System felt it should put itself on record, and it wrote a letter to the commission.

Q. When you say a general report, had some member of the commission intimated that?—A. I cannot say that. Mr. Major told us that so far as those he was particularly representing are concerned it was a report direct from the commission. I do not think I can say that, but it was general knowledge or a general understanding that it was a two year contract.

We wrote them on the 28th of May, and I have paraphrased the letter in paragraph 22 of the brief. I should like to read that letter:—

Mr. HECTOR CHARLESWORTH,
Chairman,
Canadian Radio Broadcasting Commission,
Ottawa, Ont.

Dear Sir:

The trans Canada Telephone System wish to confirm the purpose of their visit on May 13, 1935, and to place before the Canadian Radio Broadcasting Commission their application for consideration of the use of their wire facilities for the sustaining programs of the commission.

The major telephone systems of Canada comprise the Trans Canada Telephone System as follows:—

Maritime Telegraph and Telephone Company, operating in the provinces of Nova Scotia and Prince Edward Island.

New Brunswick Telephone Company, operating in the province of New Brunswick.

Bell Telephone Company, operating in the provinces of Ontario and Quebec, with long distance telephone lines direct to Winnipeg.

Manitoba Government Telephones, operating in the province of Manitoba.

Saskatchewan Government Telephones, operating in the province of Saskatchewan.

Alberta Government Telephones, operating in the province of Alberta.

British Columbia Telephone Company, operating in British Columbia.

Each of these Systems has adequate telephone facilities and are, or may be, equipped for Trans Canada broadcasting purposes; they also have technical knowledge essential for radio broadcasting. It is the opinion of the Trans Canada Telephone System that it would be of substantial assistance to the Canadian Radio Broadcasting Commission to have the wires of the Telephone Systems as part of their network for sustaining programs, and that it would be a handicap to your commission if they were excluded.

All the facilities of the Telephone Systems are designed and built for sound transmission and the main purpose of the telephone business includes a continuous research and engineering study for the improvement of transmission of sound.

Each of these Telephone Systems serves its entire territory with complete network of lines in both routes and spare facilities to the extent of being in a position for transmission of the programs of the Commission. A considerable portion of telephone lines, particularly between important and large cities, are in cables, and therefore, less exposed to interruptions than open wires.

These Systems have individually, and in association, Transcontinental and Transoceanic connection which would be an extension to the present existing facilities of the Radio Commission.

Three of these Telephone Systems are owned and operated by Provincial Governments. The remainder are, in a large measure, owned by the residents of the provinces in which they operate. These stockholders number thousands in each province and are generally owners of radio sets and contributors to the revenue of the Radio Commission. As such, they form a large body of public opinion and it would appear that the Telephone Companies in which they have a direct interest are justly entitled to supply a fair proportion of the broadcasting facilities required by the Commission.

The Telephone Systems recognize the large part that the Railway Telegraph Systems already play in the development of broadcasting by the Commission, and are also cognizant of the fact that there facilities and services are now available in use by the Commission.

The Trans-Canada Telephone Systems suggest that some form of a plan be developed for utilizing the services of the telegraph and telephone systems on a fair basis of apportionment, taking into account accessibility, quality, mileage and rates so that all the wire systems may co-operate in making a success of the Commission's undertaking of its sustaining programs.

The Telephone Systems will, if requested by the Commission, proceed with the preparation, or co-operate in the development of a plan in which all wire facilities will be given equitable consideration; they feel it would be unfair if the Commission, in the renewal of another contract for the sustaining programs, denied them participation in this particular feature of broadcasting. They also feel that, when the present contract for the provision of radio transmission wire facilities for sustaining or other programs expires, they should be given an opportunity to either be a party to any new contract or renewal, or should be awarded a contract for a fair portion of the facilities required.

We will be pleased to hear from you, at your pleasure, that our application has received favourable consideration.

We have the honour to be,

Yours faithfully,

Chairman

Secretary.

Knowing that the contract was then expiring, the contract which had been made in 1933, I think you gentlemen will agree that that letter is a sensible, temperate and moderate letter in view of all the circumstances. This is what happened as a result of it. On the 29th of May a letter was received from the Chairman of the Radio Commission, as follows:—

SPECIAL COMMITTEE

DEAR MR. MCFARLAND,—I beg to acknowledge yours of May 28 submitting the proposals of the major telephone systems of Canada.

With kind regards,

Sincerely yours,

HECTOR CHARLESWORTH,

Chairman.

That was on May 29, and nothing further was heard until the 12th of July, a month and a half after, when Mr. McFarlane, the chairman of Trans Canada, wrote to Mr. Charlesworth as follows:—

DEAR SIR,—On May 28, following a visit to you on May 13, the Trans Canada Telephone System submitted an application for you to consider the use of the wires of the Trans Canada Telephone System for sustaining programs of the Commission.

It is hoped that you have had time to review the contents of the letter and that some action has been taken with our application.

At your convenience, I will be pleased to hear if some decision has been reached in regard to this question, or if there is any further information that you may require from us.

With kind personal regards, I have the honour to be.

Yours respectfully,

On July 13 Mr. McFarlane received the following letter:—

DEAR SIR,—In the absence of Mr. Charlesworth I beg to acknowledge receipt of your communication of July 12. I shall have your letter brought to the attention of Mr. Charlesworth on his return to Ottawa on July 24.

Yours sincerely,

(Signed) R. P. LANDRY,

Secretary.

There was a letter of the 21st which Mr. McFarlane wrote but which I apparently have not got. Then I should like the members of the committee to hear this letter of July 24 in view of what we have found that the contract dated July 17,—as a matter of fact we had information about 10 days afterwards that it was dated July 16, but we find this morning it was dated July 17—for five years had been signed. This is a letter from Mr. Charlesworth to Mr. McFarlane dated July 24:—

DEAR MR. MCFARLANE,—Yours of July 21 with regard to the application submitted by you awaited me on my desk on my return from vacation this morning.

After our legislation was dealt with just prior to prorogation, I looked into this matter and find that the contract with the wire companies made in 1933 does not expire until March 31, 1936. While we may be asking the railway companies to arrange certain services not contemplated in 1933, it was quite obvious that no contract could be entered into with the telephone companies during the present year.

Sincerely yours,

HECTOR CHARLESWORTH,

Chairman.

By Mr. McIntosh:

Q. That was written a week after the contract had been entered into?—

A. That was written a week after. It must have been that Mr. Charlesworth did not know about the other contract having been signed, but I point out to you that it was a contract which pledged for five years one-quarter of the total revenue of this commission, and it certainly threw us off in assuming that a new contract had been signed, and that we just simply had to sit down and wait for another year until the contract expired.

By Mr. Ryan:

Q. Who signed the contract?

Mr. CAMPBELL: Mr. Cartier and Mr. Steel.

WITNESS: Is that the old one or the new one?

Mr. CAMPBELL: The new one.

By Mr. Dupuis:

Q. What was the amount?—A. \$375,000. I see by the Canadian Radio League it was \$375,000, and everybody else has been saying that.

The CHAIRMAN: This contract has been signed by Mr. Cartier, the Vice-Chairman; Mr. Steel, Commissioner; Mr. Stephan of the Canadian Pacific, and Mr. Oswald; for the Canadian National Mr. Vaughan, Vice-President, and Mr. Ormsby.

By Mr. McIntosh:

Q. How many members of the Commission signed that?

The CHAIRMAN: Two, the Vice-Chairman, and Commissioner Steel.

Mr. DUPUIS: Is the amount of the contract set out?

The CHAIRMAN: It has been decided, Mr. Dupuis, that the amount of the contract should not be divulged to the public at the present time. It is available to any member of the committee.

WITNESS: I am going to assume that the amount of the contract was hypothetical, in view of the fact that the brief of the Canadian Radio League—where they got the information I do not know—indicated last week that the amount of the contract, whether for the full service or not, was for \$375,000. That is the basis upon which Mr. Major was presenting his figures this morning.

By Hon. Mr. Howe:

Q. Do the telephone companies claim that this item of \$375,000 is loosely handled?—A. The telephone companies, Mr. Minister, make no representations of any kind with regard to that. The telephone companies, as you understand and appreciate as much as anybody, only ask for an opportunity to tender and to be consulted in connection with contracts in respect to which their facilities are peculiarly adapted and in connection with a service towards which they have made quite a substantial contribution. I would not go further than that.

Notwithstanding the fact that according to the above letter no contract could be entered into with the Telephone Companies during the present year, it now appears that a new Contract was entered into with the Railway Telegraph Companies and it has been stated that this contract had been signed on July 16, 1935, over a week before the above letter was written. It is known now that under this new Contract the Railway Telegraph Companies were again given the exclusive business for a further period of five years. It will be noted that no mention of this was made in the letter of the Chairman above quoted. Endeavours about the middle of August to have a personal interview with the Chairman failed on account of the Chairman's illness.

I should like to introduce here a letter which is mentioned in a later part of the brief, but which I think is important just now. The Trans-Canada System received a letter dated July 30, not from the Commission but from the Telegraph companies indicating to us that a change had been made in the terms of the contract with the Telegraph companies with regard to the use of leased lines for commercial purposes. That letter was written by Mr. Galloway, representing the Canadian National Railways, and Mr. Neil, representing the Canadian Pacific Railway, under date of July 30. Remember, we have no intimation from the Commission except the letter from the Chairman on the 24th of July to the effect that the contract did not expire for a year, but on the 30th of July we have this letter from Mr. Galloway and Mr. Neil, which reads:—

“One of the articles of the agreement”—and it does not say it is a new agreement or the old agreement—“between the Railway Companies and the Canadian Radio Broadcasting Commission provides that the Radio Commission may undertake the transmission of commercial programs over its network during the period in which the lines of the Railway Companies are leased to the Commission. The Radio Commission has requested, and the Railway Companies have agreed, that from August 1 next the Commission may exercise the privilege of transmitting commercial programs over its network, the revenue therefrom to accrue to the Commission. The Commission feels that it should have available to it certain commercial features, particularly those of a Trans-Canada character that have to some extent caused the Commission to rearrange its sustaining program periods, resulting in considerable inconvenience to the Commission and, we presume, some criticism from the listening public.

The Railway Companies believe that they and the other wire systems should cooperate with the Commission to the end that the general broadcasting situation in Canada shall be sufficiently flexible as to lend itself to steady and progressive improvement and that any efforts to restrict the Commission in this respect would result in serious reflection upon the wire systems generally.

We are, therefore, writing you to advise you that effective as from August 1 next, the Railway Companies have agreed with the Commission as per the foregoing.

With respect to commercial broadcasting in general, we are desirous of continuing the present arrangement between the Railway Companies and the Trans-Canada Telephone System for the provision of circuits and division of revenues, and shall be glad to receive your confirmation of this understanding.

Yours very truly,

That letter, Mr. Chairman and gentlemen, was written by those who had received a new contract from the Commission. It contains the delicate suggestion that they, having received the exclusive right to the Commission sustaining programs for the next five years, advised the Telephone Systems that they, the Telephone Systems, should give up a portion of the commercial business which they have, and that they, the Telegraph Companies, have agreed with the Commission that that is a good thing to do. I will deal with that later, but I bring it up now to indicate that the notice we got with regard to the new contract is not a notice from the Commission but is a notice from those who have received the exclusive rights under it.

Now here is a peculiar situation too. On August 19, 1935, Colonel Steel advised the representatives of the Trans-Canada Telephone System that his information as to a new contract having been made for five years was inaccurate,

[Col. J. L. Ralston.]

but on August 20th, he wrote correcting this, and stating that he found that an arrangement was in existence for a period of five years from August 1st, 1935. This letter is addressed to Mr. McFarlane, and reads:

DEAR SIR,

In connection with our conversation of yesterday afternoon, I have now succeeded in locating the contract and I find that you were correct and the arrangement now in force is for a period of five years from the 1st of August, 1935. I am sorry that I was not able to give you this definite statement yesterday afternoon.

As soon as you have completed your discussion with the members of the Trans-Canada System, we would appreciate hearing from you with a definite statement beyond the 31st of August of this year.

Yours very sincerely,

(Sdg) W. ARTHUR STEEL,
Commissioner.

By Mr. Martin:

Q. Does that pooling arrangement concern the Telephone System of the western provinces also?—A. Yes, it concerns all the telephone systems of Canada. I make no comment on that except that it is a strange letter for Colonel Steel to write.

The result is that at the present time the telephone systems of the Dominion of Canada which make up the Trans-Canada Telephone System, are excluded until August 1st, 1940, from any participation in the business of leasing lines to the Commission and the monopoly of this business is held by the railway telegraph companies. The Contract, it is understood, amounts to about \$375,000 per year, and covers six hours on week days and eight and one-half hours on Sundays.

It should be particularly noted that the 1933 Contract contained a prohibition against reselling leased lines to commercial sponsors. That was understood by everybody, that the Commission was not to use the lines which it was leasing under the 1933 contract for commercial business; that these lines were to be used for the so-called sustaining programs of the Commission. In other words, the Commission was to use these lines exclusively for what are known as sustaining programs, but a most important feature of the new Contract is that this prohibition was eliminated, with the result that the Commission steps into the commercial field in competition with the wire companies. That is shown by the letter which I read to you from the C.P.R. and the C.N.R. of July 30.

While the foregoing circumstances regarding these two important Contracts speak for themselves and require little comment, the following are particularly emphasized:—

The apparently deliberate failure to recognize the legitimate claims of the Trans-Canada Telephone System to have an opportunity at least to participate in the later stages of the negotiations in respect of the 1933 contract; the absolute ignoring of the Trans-Canada Telephone System in the negotiations for the 1935 Contract; the closing of the latter Contract without any reference to the Telephone Companies whatever; the apparent lack of knowledge on the part of the senior members of the Commission as to these most important commitments which had been made on behalf of the Commission involving, as they did, about one-quarter of the Commission's revenue over periods of years; the failure even to ask for competitive bids from the Telephone System,

public or private, although these Systems were the agencies primarily engaged in the business of sound and voice transmission, and thoroughly equipped therefore, and were pioneers in the field of Canadian network broadcasting.

Regardless of these facts, which might even have been regarded as entitling them to some preference, all the Telephone Systems expected was an opportunity to participate on terms not less favourable and on a division of business which would give them less than half,—namely, 40 per cent.

Now I pass, Mr. Chairman, to another phase which has not been particularly dealt with by Mr. Major, although in the last part of his brief he did present it very forcibly.

By Mr. Martin:

Q. Having in mind the greater coverage of the telephone systems, why did you settle on a figure of 40 per cent?—A. I do not know. I was not in the negotiations in any way.

Mr. McFARLANE: I do not know that there are any sound reasons for it except they were on the inside, and if we asked over 40—

Q. You mean on the inside closer to the Commission?

Mr. McFARLANE: Having had a contract.

WITNESS: I pass now to what really strikes at the whole question of policy of chain broadcasting in Canada, one which I do not feel competent to discuss at length but one in respect of which I can only put up the situation and leave to you, Mr. Chairman, and members of the committee, to find the solution.

I point out the unfair effect of the commission's application of section 8 (f) of the Radio Act. The commission by its regulations has crippled the Telephone Companies in promoting commercial business. Remember, the contracts we have been talking about up to date are contracts which we thought had nothing to do with commercial business. By section 8 (f), and I should say that under the pooling arrangements which I will refer to a little later, the idea was that the wire companies were to have the benefit of the commercial business under the commission's supervision and under an arrangement which was pretty definite. Now we find the commission exercising its power under section 8 (f) to cripple telephone companies in connection with commercial business.

Section 8 (f) of the Canadian Radio Broadcasting Act, 1932 (22-23 Geo. V., chap 51) gives the commission the following power:—

(f) The commission may prohibit the organization or operation of chains of privately operated stations in Canada.

Under this section the commission has made regulation 15, which provides that:—

. Station owners or managers, advertising agents and all others interested in the organization of radio broadcasts and the operation of radio broadcasting stations in Canada, must obtain permission in writing from the commission before any arrangements are made for the tying up of two or more privately owned stations in Canada for purposes of chain broadcasting.

It means a station owner cannot make an agreement with the Wrigley Company to put on a program to give them fifteen minutes if the Wrigley Company at the same time is broadcasting over another station from the same microphone. There can be no chain broadcasting, no use of dual service over the commission's premises. The effect of this is to prevent telephone companies from leasing to commercial sponsors wires connected from one station without the approval of the commission, and this approval is refused in practice except in specific cases.

[Col. J. L. Ralston.]

This makes it impossible for a station to make contracts with a wire company for an hour or more on periodic days at what might be called "wholesale" rates—that is, rates which would be substantially less than the rate for an equivalent amount of time taken in short periods. Under the "wholesale" arrangement, the station would be in a position to resell to commercial sponsors at attractive rates short periods of this leased time.

(32) The development of the art and the improvement of programs in this country must depend, to no small extent, on commercial sponsors and one of the best agencies through which to secure their interest are the wire companies. Through their sales force they promote the use of radio as an advertising medium. They secure capable artists and develop attractive programs in an endeavour to make the venture a commercial success in the interests of the sponsor with the consequent benefit to the wire companies in increased sales of line services for network purposes.

(33) The commission by its action in prohibiting chain broadcasting contracts on any comprehensive basis has very largely destroyed this potential agency for better broadcasts and thus loses the advantage of the assistance which commercial enterprise and initiative can give.

(34) The wire companies field force naturally is a definite factor in selling station time for sponsored commercial programs, having in view the benefit which their companies would receive. Obviously the commission's refusal to permit stations to hook up except in a very limited way makes it useless for the telephone companies to spend time and money in procuring high class programs from commercial sponsors.

(35) The commission recognized the usefulness of the wire companies in improving radio broadcasting, as appears from the following extract from a letter from Colonel Steel to Mr. McFarlane of July 20, 1934, which is as follows:—

The Commission would like to have the wire companies take the position that they are back of the Broadcasting Commission in a combined effort to improve the quality of the entertainment available to Canadian listeners and, at the same time, to increase the number of good alternative programs available by increasing the facilities available for sponsored programs.

I give here just one example of the Commission having exercised this power.

(36) An example of the Commission exercising its authority under 8(f) was their refusal to approve a contract between Station CKAC Montreal, Station CFRB Toronto and the Bell Telephone Company made in August, 1933. These two stations proposed to lease a sixteen-hour circuit between Montreal and Toronto. By doing this they could eliminate, when desired, a U.S. service coming in over lines from Albany to Montreal or from Buffalo to Toronto and thus save substantial line costs.

That is, there were two parallel lines running in from the States, one from Albany to Montreal and the other from Buffalo to Toronto. They could, by connecting Montreal and Toronto, save the line costs of one of those parallel lines, having the program go in over the other. The Commission refused to approve the contract, and this had the effect of forcing the stations to maintain these two parallel services, resulting in a direct loss to Canadian companies of about \$36,000 per year.

May I say that I think Mr. Major just touched on a point. I think it was in 1933, in the summer of 1933 or 1934, when the Commission wrote a

letter to the western provinces telling them to discontinue what was known as the prairie loop, and they were not permitted to use it any longer because of the fact it meant so-called chain broadcasting out there by this prairie system.

By the Chairman:

Q. You mean to infer, Col. Ralston, that even if this chain broadcasting did not interfere with any broadcast of the Radio Commission, they were prohibited?—A. Yes, they were. I know I need not say to the committee that I in no wise suggest that the Commission should not have supervisory power or regulatory power with regard to these things. Nobody suggests that American programs should be put on or programs which interfere with Commission programs or any national hook-up; not at all. What we are talking about is the sale, generally, in limited localities of station time to commercial sponsors for the purpose of being put on two or three stations, and thus getting more revenue.

By Mr. Campbell:

Q. This was between two private stations?—A. Yes, this was between two private stations; connecting private stations.

By Mr. Johnston:

Q. This would not interfere with any Radio Commission program at all?—A. No, there is no suggestion of that. Mr. Major gave most striking figures, I think, when he said in 1931 his station out there had 38.

MR. MAJOR: In January.

WITNESS: In January, 1931, his station had 38 commercial sponsors for 27 hours, or 38 programs taking up 27 hours; and in 1936, under the Commission's administration of this section 8(f) and this regulation 15, they had instead of 38 programs only 7; and instead of 27 hours used they only had 4.

THE CHAIRMAN: Col. Ralston, it is five minutes after one, and I am pretty sure you cannot finish.

MR. CAMPBELL: He has only one page to finish with this section.

THE CHAIRMAN: Perhaps you could finish this section, then.

WITNESS: Yes.

(37) The hardship of this situation is very much intensified where the Commission itself engages in commercial business, as it has been doing. In that case it is obvious that the requirement to the effect that the hook-up for each individual sponsor shall be approved by the Commission results in the Commission, as a competitor, receiving full information as to the prospective purchaser of station time and gives the Commission solicitors an unfair advantage in connection with business which has already been worked up by the telephone companies or the station.

(38) Obviously, the Commission, as a public body, should not put itself in the position of judge in what might virtually be its own case—in other words, competing with the agencies which it regulates. No one would think of the Board of Railway Commissioners being given the right to operate a railway while it occupies the position of a judicial body to regulate the railway systems; and the position of the Radio Commission seems analagous.

[Col. J. L. Ralston.]

The CHAIRMAN: It is after one o'clock. Shall we continue at four o'clock?

Mr. CAMPBELL: Yes, yes.

The CHAIRMAN: Could we make it three-thirty?

Mr. CAMPBELL: I would think so.

The CHAIRMAN: Will that suit the members of the committee?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Then we will meet at three-thirty. Will you kindly be sharp on time so that we can make some progress?

The committee adjourned at 1.10 p.m. to meet again at 3.30 p.m.

AFTERNOON SESSION

The committee resumed at 3.30 p.m.

The CHAIRMAN: Gentlemen, if you will kindly come to order, we shall proceed.

Col. J. L. RALSTON resumed the stand.

The CHAIRMAN: Will you proceed Colonel?

WITNESS: Mr. Chairman and gentlemen, when the committee rose I was dealing with the experience of the telephone companies since 1932; and I had also spoken of the contracts made by the Commission for the use of wire services, which had been made exclusively with the telegraph companies under the circumstances which I had outlined. I had also spoken of what we considered to be the unfair effect of the Commission's application of section 8 (f), which entitled them to prohibit, and under which they do prohibit, the use of broadcasting networks, except with the consent of the Commission, thus, as we submit, crippling the initiative and enterprise of private concerns in devolving high-class radio programs at the expense of advertising sponsors.

I now want to deal for a few moments with the attitude of the Commission in respect of what is called the pooling agreement which was entered into between the Commission and the various wire companies respecting commercial business. One of the members of the committee at the recess indicated to me that I had not made very clear what the difference was between sustaining programs and commercial or sponsored programs. As I understand it, the sustaining programs are those which are put on by the Radio Commission itself, and which contain no element of advertising whatever, and which are paid for exclusively by the Commission; that is to say, both the programs themselves and the wire are paid for by the Commission and put on for the public benefit. Sponsored or commercial programs are programs which are put on by private advertisers who have to make the program as good as possible in order to get people to listen to the thing; knowing as you and I do that when we listen to the radio and a poor program comes on, we just turn over to something else. The incentive to the advertisers to get good programs is the fact that they must get people to listen. Those are the sponsored or commercial programs.

I have dealt with the Commission's contract which had to do with the provision of wire services for their sustaining programs. I dealt with the Commission's attitude towards chain broadcasting when used for commercial purposes. I pointed out that the Commission, as I say, crippled private initiative; or we submit it crippled private initiative in the way of soliciting business of that kind and working up business of that kind. I want to deal

with an arrangement which we thought had been made between the Commission and the wire companies with respect generally to this matter of commercial business.

THE RADIO COMMISSION'S NON-ADHERENCE TO POOLING AGREEMENT
RE COMMERCIAL BROADCASTING

(39) At the request of the Commission, in January, 1934, meetings were held between representatives of the Commission and of the telephone and telegraph systems and correspondence exchanged until on September 14, the so-called pooling arrangement regarding commercial business went into effect as from September 1, 1934, for the period of one year. I quote a letter from Colonel Steel to Trans-Canada Telephone Systems of September 14, 1934.

(40) The bases of this arrangement were:—

(a) Wire companies were to have the benefit of the sponsored programs. See minutes of meeting of January 10, 1934, at which the Commission was represented by Col. Steel. I mention that in order to indicate that the Commission was a party to this.

The following are extracts from these minutes:

(4) The Commission are prepared to establish a central bureau to handle all network broadcasting, that is, both sustaining and sponsored features. It is proposed to have one chain, as at present, carrying Commission sustaining features, and a second chain available for sponsored programs.

By Mr. McIntosh:

Q. That is commercial programs?—A. That is commercial programs.
Continuing:—

The commercial sponsored programs would be carried to the area required at suitable times by a proper sub-division of the presently available stations.

(6) The Commission propose that their central co-ordinating bureau, with the assistance of the agents of the wire line companies—if you will note that—would work up business among the radio advertisers in Canada. They would arrange with the station for the necessary time and then turn the program over to the wire line companies for distribution.

The Commission arranged with the station for the station time necessary and then would turn that time over to the wire line companies for the purpose of distribution. I put in a note here:

Later this was modified to the extent that the Commission exclusively was to deal with the station or agency, but the Commission in doing this was of course acting as agent for the wire line companies.

By agency I refer to the advertising agency. Generally speaking, this business is solicited, as I understand it, and placed through advertising agencies. Originally it was that the Commission, with their central co-ordinating bureau, were to work with the assistance of the wire line companies ; both of them going and seeing the radio advertisers in Canada. Later the Commission edged in on that a bit and the arrangement was finally made that the Commission—or the arrangement was insisted upon really that the Commission exclusively was to deal with the station or agency. As I see it, the Commission in doing this was acting as agent for the wire line companies to whom the revenues of these programs were to go.

[Col. J. L. Ralston.]

(7) Under this scheme the wire line companies would be asked to set the rates for such service and to decide among themselves the proportion of the wire line proceeds which each agency should get. The Commission would act as a central accounting bureau, collecting from the advertisers and paying each of the wire line companies on the basis already established by them. They would also make payments to the stations for the time taken on these stations.

NOTE:—The arrangement regarding collections mentioned in the Minutes of January 10, 1934, was changed to the extent that one bill was rendered to the Commission by the wire companies. That is to say instead of the Commission paying each wire company its proportion of the cost of the wire for the network program, one bill was rendered to the Commission and the Commission paid one company, I think generally the Trans-Canada System.

Mr. McFARLANE: The C.P.R.

WITNESS: Thank you. They generally paid the C.P.R. and the C.P.R. distributed the money among all the wire companies concerned.

As I understand it, under that arrangement we have, the wire companies—that is the telegraph and telephone companies—all having the benefit of the revenues in the commercial business. We have the Commission establishing a central bureau in order, in the first place, to sell the station time; then to hand that station time over to the wire line companies for distribution; and the co-ordinating bureau to collect the money from the sponsors or from the advertisers and to pay that to one company, the C.P.R., through whom it would be distributed to the wire line companies.

(b) The gross revenue from commercial broadcasting was to be divided between the telephone systems on the following basis:—

Telegraph—60 per cent.

Telephone—40 per cent.

See following extracts from Minutes of meeting of January 11, 1934, at which Colonel Steel represented the Commission:—

Moved by Mr. Galloway (of the C.N.R.), seconded by Mr. Macpherson, (of the Bell Telephone Company) that there be division of gross revenue from commercial broadcasting through the use of facilities of wire systems by pooling the wires for one year (from April 1, 1934) on a percentage basis, the allocation of circuits to be approximately in accordance with the division of revenue. The division of revenue was agreed upon as follows:—

Telegraph Systems—60 per cent.

Telephone Companies and Systems—40 per cent.

(41) The Trans-Canada Telephone System brought into this pool seven programs yielding revenue of \$20,299 net; and because the terms were not satisfactory to the Commission they terminated, and the telephone system lost the revenue from another program which was yielding about \$400 a week. I have here a list of some of the contracts which the Trans-Canada Telephone System brought into that pool and shared with the telegraph companies:—

Canada Starch.. . . .	\$7,983
Standard Brand.. . . .	753
Imperial Tobacco.. . . .	2,663
Black Horse.. . . .	4,610
Standard Brand.. . . .	1,412
Wheat Pool and Wild Fire Coal Sales.. . . .	1,546
Weston Pure Foods.. . . .	1,398

Total.. . . . \$20,295

I have not bothered with the odd cents.

That is the contribution which the Trans-Canada System made to the pool.

(42) Shortly before September 1st, 1935, (when the one year term of the pooling arrangement expired) it became known that the Commission had, as has been mentioned above, made another exclusive contract to lease lines from the telegraph companies for a further term of 5 years from August 1, 1935.

That is the contract we talked about this morning.

(43) It was also learned that this new contract permitted the Commission to use the leased lines for commercial business.

Here is the Commission acting as a co-ordinating bureau, collecting for the wire companies and placing business, commercial business, with the wire companies; it now makes a contract with the telegraph companies where it is entitled to use the wires which it has leased and which previously to that had been used for sustaining programs. It has now become entitled to use those wires for commercial business itself. There was a letter which I read this morning, from the C.N.R. and C.P.R. to the Trans-Canada Telephone System. The first paragraph of the above letter is as follows:—

One of the articles of the agreement between the railway companies and the Canadian Radio Broadcasting Commission provides that the Radio Commission undertake the transmission of commercial programs over its network during the period in which the lines of the railway companies are leased to the Commission. The Radio Commission has requested, and the railway companies have agreed, that from August 1 next the Commission may exercise the privilege of transmitting commercial programs over its network, the revenue therefrom to accrue to the Commission. The Commission feels that it should have available to it certain commercial features, particularly those of a Trans-Canada character that have to some extent caused the Commission to re-arrange its sustaining program periods, resulting in considerable inconvenience to the Commission, and, we presume, some criticism from the listening public.

I read the whole of the letter this morning.

(45) As stated above, the telephone companies had no direct intimation whatever from the Commission regarding this new contract nor did they know until receipt of the above letter from the railway telegraph companies that this very important change had been made permitting the Commission to use the leased lines for commercial purposes.

Following that, I can show two or three letters indicating that the Commission itself endeavoured to minimize the effect; or at least, to state that the fact regarding their right to use the lines for commercial purposes was not going to be as serious as the telephone companies might think.

By Hon. Mr. Cahan:

Q. Might I ask a question? This is news to me.—A. Certainly.

Q. At that time the new arrangement was made, had the term of the old pooling arrangement as to time ceased?—A. At the time of the arrangement?

Q. Perhaps I am stupid about it; but you are dealing with a contract made between the telegraph company and the Commission?—A. Yes.

Q. At the time that contract was made, had the old pooling arrangement terminated?—A. No. The pooling arrangement was terminated on September 1, 1935, two or three months after that.

[Col. J. L. Ralston.]

Q. And what is the intention of the telegraph companies and the Commission? Were they simply making this arrangement in view of the prospective termination of the pooling agreement?—A. No; because as a matter of fact, they still want us to keep on with the pooling arrangement. Except that the pooling arrangement now is a pooling arrangement out of which has been whittled a lot of commercial contracts which the Commission have taken over to themselves, as I see it.

Q. Are those commercial contracts under the pooling agreement, according to this Trans-Canada System?—A. Yes. I will point out a letter from Colonel Steel, showing the nature of the contracts which he said he thought the Commission might fairly cut out from the company.

Q. I do not follow that.—A. Well, answering your question, the pooling arrangement was in force at the time this letter was written, and was continuing or to be continued until September 1, 1935. Continuing:—

(46) About August 1, 1935, a representative of the Trans-Canada Telephone Systems spoke to the Chairman of the Commission about this matter, and the Chairman indicated that he knew very little about it, but that the arrangement was made by Colonel Steel and Commissioner Cartier with the railway companies, and in a later conversation the same day, the Chairman, after having discussed the matter with Mr. Hutton, who is the wire companies' representative in Ottawa, intimated that "the position of the Bell Telephone is not affected."

That is to say, this suggestion by the Railway Company that the Commission wanted to go into the commercial business was really nothing serious. It was just in respect of some special cases. Probably I am paraphrasing, but that would be the idea. As I shall show you from Colonel Steel's letter, I think that was the attitude of the Commission.

(47) Later, on August 19th, 1935, a representative of the Trans-Canada Telephone System went to Ottawa, saw Colonel Steel, and asked about the existence of the new contract and the term which permitted the Commission to use the leased lines for commercial broadcasting. Colonel Steel indicated that the Telephone Companies' information was incorrect.

(48) The next day, however, Colonel Steel wrote the Chairman as follows:—

In connection with our conversation of yesterday afternoon, I have now succeeded in locating the contract and I find that you were correct and the arrangement now in force is for a period of five years from the 1st of August, 1935. I am sorry that I was not able to give you this definite statement yesterday afternoon.

In that letter there is nothing definite from Colonel Steel regarding these particular companies, or the new contract of which Trans-Canada Telephone Company were complaining, namely, permission of the Commission to use leased lines for commercial purposes. Now we come to a letter which does deal with it directly.

(49) On September 10th, 1935, Colonel Steel wrote the Trans-Canada Telephone System to the effect that so far as commercial programs were concerned, there had not been any appreciable change in the contract and that the type of business they had in mind were programs such as the London Life, Imperial Tobacco and the Lever Brothers which, as a matter of fact, were isolated programs.—

He does not use the word "isolated"; but I will show you what he does use.—and certain other events which were of a non-recurring nature. The letter is as follows:—

In reply to your telephone request, I beg to forward the following information regarding the activities of the Commission in the commercial field, in so far as they affect the alterations in the contract for network service with the telegraph companies.

There is the first time the Commission come squarely out and say there is a new contract and that it does alter the situation with regard to commercial business.

In so far as commercial programs are concerned, and you are mainly interested in this point, *there has not been any appreciable change from the original contract.* The only change of any importance is an arrangement whereby the Commission can release their circuit for *special events or special commercial features* during our contract time, and for these periods we are now in a position to claim some return. In the past we have been forced to do this on some occasions and have been out of pocket, not only for the cost of the lines, but for the cost of the programs which we had prepared for those periods. The type of thing to which I refer are such programs as those given by the *London Life last Spring, the Imperial Tobacco Company program arranged by Mr. George, the Lever Brothers program* and certain other events that you may recall which *were of a non-recurring nature.*

An isolated program. That is why I used the term "isolated"; isolated or non-recurring.

I can assure you that the Commission has no intention of going into the commercial field in an extensive campaign. Our whole idea is to increase the number of sustaining programs, as we feel sure such a move is demanded by the public at the present time. It is for this reason that we have negotiated for an extension of our daily hours of operation.

I trust that this will clear up the matter to your satisfaction.

Yours very sincerely,

(Sgd.) W. ARTHUR STEEL,

LIEUT.-COL.,
Commissioner.

Now, Mr. Chairman and gentlemen of the committee, I cannot see the contract. The contract is here. I submit, and I suggest that at some time I think the committee ought to examine the contract in the light of that statement by Colonel Steel, and just see what changes were made in the contract with regard to this matter of commercial business. Colonel Steel says there has not been any appreciable change in the original contract, and the only change is so-and-so, as I have already indicated.

By Mr. Martin:

Q. This will be in 1933?—A. This is the 1935 contract.

Q. The arrangement you were speaking about would be in the 1933 contract?

—A. He means the change from the 1933 contract. You would have to look at both contracts to see what change has been made.

(50) In the meantime the pooling arrangement was simply continued from month to month.

That is the answer to Mr. Cahan. That is from September 1st. Continuing from September 1st, the pooling arrangement was just carried on from month to month.

[Col. J. L. Ralston.]

By M. Massey:

Q. The pooling arrangement was drafted, was it not, and signed?—A. No, it is in the form of minutes. I have read you, and inserted in here, some of the paragraphs of the minutes of the meeting at which representatives of the Commission, representatives of Trans-Canada and really representatives of all the units of Trans-Canada and representatives of the telegraph companies were present. The principal meetings were held on January 10 and January 11, 1934. I think I am correct in saying there was no actual signed agreement. There were signed minutes but not actual signed agreement.

(51) Later it was learned that, notwithstanding the assurance in Colonel Steel's letter of September 10, 1935, indicating that the only commercial programs which the Commission might take were isolated programs of a non-recurring nature, the Commission appropriated to themselves the revenues derived from a contract with General Motors for the series of hockey broadcasts for the season 1935-1936. The revenue derived from the wire rentals on this broadcast was over \$20,000.

By Hon. Mr. Howe:

Q. Would it have been possible for the telegraph companies to have arranged that broadcast in some way, to send it to every station in Canada?—A. I would have to let a technical man answer that.

Mr. McFARLANE: With the pool functioning, yes.

By Hon. Mr. Howe:

Q. You are complaining about the thing you mentioned. Could it have been corrected by being handled by the telegraph companies?

Mr. McFARLANE: Yes, by the pooling arrangement. Previous to the season of 1936 it was handled.

WITNESS: If the pooling arrangement had been in full force, it could have been handled by the telephone companies.

Mr. McFARLANE: It was handled in 1934 and 1935.

WITNESS: Or by the wire companies, because it is the wire and telegraph companies.

Mr. MARTIN: The answer is it could not have been handled after the pooling arrangement ceased?

Mr. McFARLANE: Yes.

Mr. MARTIN: It could or could not?

Mr. McFARLANE: It could.

Mr. MARTIN: You said to Mr. Howe it could only have been done if the pooling arrangement were in existence.

Hon. Mr. HOWE: The point I was asking was, could it have been handled without being handled by the Commission? In other words, could it have been handled by the pooling arrangement?

Mr. MASSEY: Your answer is in the affirmative?

Mr. McFARLANE: Yes.

(52) The situation was so aggravated by this breach of the pooling agreement that the telephone systems of the three prairie provinces indicated their intention of withdrawing from the pooling arrangement as of December 1, 1935, but after discussion with their associate members in the Trans-Canada Telephone System, it was agreed that the pooling arrangement would continue on a month to month basis.

By Hon. Mr. Cahan:

Q. You say that the situation was so aggravated by this breach of the pooling agreement, and so on?—A. Yes.

Q. But as I understand it the pooling agreement had terminated on September 30?—A. No. It was being continue from month to month.

Q. Was the Radio Commission a party to the continuation of the pooling agreement from month to month?—A. Yes.

Q. Could the Radio Commission fairly say that all agreements must be subject to the new conditions which were imposed in respect of these non-recurring programs?—A. I do not think they could fairly say that. But the point is, as you can understand, that the Radio Commission under their statute could say almost anything they cared to say. I mean, they had the fullest power, if you are speaking legally.

Q. Well, I am speaking legally, yes. Then with respect to this General Motors contract for broadcasting a series of hockey matches, that would be a sort of isolated and non-recurring program?—A. It is recurring every time there is a hockey match. It is recurring. That is just the point about it. A non-recurring program would mean a Jubilee broadcast or something of that kind, an event that only took place one year. But the very essence of the hockey broadcast is the recurring nature of it.

Mr. EDWARDS: There are about twelve a season?

WITNESS: About that, I guess.

Mr. MASSEY: There are more than that.

Mr. CAMPBELL: There are twenty-four home games in a season.

Mr. MARTIN: Forty games.

Mr. McINTOSH: A recurring program may recur from season to season as well as from month to month.

By Hon. Mr. Cahan:

Q. In order that I may get the idea of this, the revenue of \$20,000 was the revenue retained by the Radio Commission for its own services; the net revenue would be somewhat less than that by reason of its paying for connecting lines, would it not?—A. Yes, I presume it may be. No, excuse me. Just to answer that question, it may have used its leased lines. I cannot tell you whether it paid for any line outside of its own line or not.

Q. As a matter of right, if there was a revenue for putting on the broadcast of hockey matches, why should the Radio Commission not receive it and keep it?—A. Just for this reason: I think the same question might well be asked if I am a partner in a firm, why I should not keep some of the partnership revenues.

Q. No.—A. That is the answer.

Q. It does not get down to that; because if you were a partner in a firm, then your legal rights would be expressed in a partnership document?—A. Well, I think there is the document I have read to you—and as a matter of fact I forgot one that I had—Colonel Steel himself uses the expression that this was a partnership arrangement. I do not think there is any doubt about it, that it was a partnership.

Q. I am not clear in my mind regarding your explanation. Perhaps it is because I unfortunately did not follow the morning's proceedings. But I am not clear in my own mind that the new broadcasting pool by the telephone companies could be referred back beyond September 1st when the old arrangement ceased?—A. I am saying, sir, that the partnership agreement was for a year; that the year came on September 1st, and instead of the partnership agreement being extended for a full year, it was continued from month to month, which entitled any member of the partnership, I suggest, to give notice at the end of the month

[Col. J. L. Ralston.]

that they were going out. But no such notice was given; and on the contrary, the Commission noted with satisfaction in the letter of December 24, 1935, that the western members had decided to continue the pooling agreement on a month to month basis.

Colonel Steel says in this letter, "I am very glad indeed to have this information and it is very satisfactory to this commission that you have found it possible to come to this agreement with the three western provinces, and the information has been passed on to Mr. Powell." So that the agreement was on, but they were simply going in and taking these contracts—I am not talking about the moral right at all, and you will understand that, Mr. Cahan—we are submitting it was a violation of the spirit and really of the letter of the partnership agreement for the commission to take these contracts or the revenues from the pool. And may I say this; as a matter of fact, the orders given to each member of the partnership showed plainly that this was pool business originally but the revenues were kept by the Commission, they were not paid over.

By Hon. Mr. Cahan:

Q. But that was clearly indicated in the contract between the Radio Commission and C.N.R. and C.P.R. of which you had notice?

Mr. CAMPBELL: No, you had no notice. They were not even asked to tender on that.

Hon. Mr. CAHAN: I am not dealing with the tenders.

WITNESS: We do not know that. That is what I was asking the committee. I submit that the committee at some stage ought to examine the two contracts and find out if Mr. Steel's interpretation is really correct. He said there was no appreciable change in the contract. If there was no appreciable change, then there is a prohibition against the Commission using those lines for commercial purposes.

Q. You quote a letter on page 24. When did you first get notice of that?—A. On July 30, 1935, or a day or two afterwards.

Q. Was that not the notice?—A. Yes, sir, but that was followed by Colonel Steel's letter of September 10 in which he explains it. He says—these are not his exact words—Now do not worry about this, that this has only reference to contracts like the London Life or Leaver Brothers, things like that. He said the contract has not any appreciable change. Those are his exact words in the original statement. So, answering your question, we had notice of the contract, but we also had the interpretation of one of the Commissioners saying that it does not amount to anything so far as cutting into commercial business.

Q. Then your statement about a breach of contract should be modified somewhat; that it is a breach of Colonel Steel's subsequent interpretation?—

A. No, we are talking about two different contracts. I am saying it is a breach of the partnership contract. The partnership contract was not made subsequent to this arrangement at all. We do not care how many arrangements they made whereby they made use of leased lines for commercial purposes so long as they observed the contract that they will not go into the commercial business; that they will not take advantage of that commercial business; that they will not take advantage of that condition so long as the partnership exists.

Hon. Mr. CAHAN: I do not wish to argue it.

Mr. CHARLESWORTH: May I say a word that might clarify the situation?

Hon. Mr. CAHAN: You will have ample opportunity as a Commissioner to give your evidence. I think it should be confined to a later statement.

By Mr. Ryan:

Q. You said the telephone companies brought certain contracts into the pool which they had controlled prior to that?—A. Yes, that is right.

Q. Among those contracts was the Imperial Tobacco? Was that the hockey broadcast?

Mr. CAMPBELL: No, that is General Motors.

WITNESS: As I said, the situation was so aggravated that the western members of the Trans-Canada system indicated their determination to withdraw from the pooling arrangements; they said let dog eat dog, and it was only after a discussion with their associated members that they remained in the pooling agreement.

Then on December 20th the Trans-Canada Telephone System wrote to Colonel Steel pointing out that the action of the Commission in connection with the General Motors contract was contrary to the pooling arrangements, and on December 24 a letter was received from Colonel Steel saying the question was now under discussion and that the Trans-Canada Telephone System would be advised at a later date regarding the matter. Although nearly five months have elapsed, no further communication has been received.

I must ask the indulgence of the committee to permit me to read the letter which the Trans-Canada Telephone System wrote to Colonel Steel protesting against the invasion of the pooling agreement or the partnership agreement by the Commission taking these commercial programs. This letter is dated 20th December, 1935, and reads:

Colonel ARTHUR STEEL,
Canadian Radio Broadcasting Commission,
Ottawa, Ont.

Dear Colonel STEEL.—On the 14th instant, I received a letter from Mr. Neil and Mr. Galloway informing me that they had been advised by the Canadian Radio Broadcasting Commission that the three Western Provinces had notified you that as from December 1, 1935, those provinces will not further continue in the pooling arrangement for commercial broadcasting.

I communicated with Mr. Lowry, who,—

Mr. Lowry is the general manager of the Manitoba systems.

—on December 17, 1935, at my request, spoke to representatives at Regina and Edmonton and I am instructed to inform you that the Trans-Canada Telephone System will continue, as at present, the pool for commercial broadcasting programs on a month to month basis.

In your letter of September 10, 1935, regarding the activities of the Commission in the commercial field, you informed me that the new contract with the Telegraph Systems did not appreciably change the original arrangement, but with certain special occasions where your contract time was interfered with, you would accept, under contract, commercial programs but not events of a recurring nature, and further the Commission had no intention of going into the commercial field in an extensive campaign.

The placing of the General Motors Company hockey broadcasts for the season as a Canadian Radio Broadcasting Commission feature, taken, it is presumed, as a commercial program and using leased wire facilities under the commission's contract with the telegraph systems is, in the opinion of the members of the Trans-Canada Telephone System, contrary to the pool arrangement and is a recurrent program. This removes the largest contract from which revenue was divided by the wire systems and as a consequence the telephone systems feel it is necessary to register their objection.

It is the intention of the Trans-Canada Telephone System to meet and discuss their future course of action in regard to the pool.

Yours truly,

[Col. J. L. Ralston.]

The reply to that letter was on December 24, 1935, as follows:—

DEAR MR. MCFARLANE,—This will acknowledge your letter of December 20, in which you inform me that the Trans-Canada as a whole are now prepared to continue the pooling arrangement on a month to month basis. I am very glad indeed to have this information and it is very satisfactory to this commission that you have found it possible to come to this agreement with the three Western Provinces.

The information has been passed along to Mr. Powell.

The question you raise in the last paragraphs of your letter is now under discussion and I will advise you at a later date regarding the matter.

Yours very sincerely,

W. ARTHUR STEEL (Signed)
Commissioner

As I say, we have not heard yet. That was on December 24, 1935.

Besides taking the General Motors program, the commission has appropriated from the pool a number of other programs which cannot be said to be isolated or non-recurring. The full list is as follows:—

General Motors.. . . .	\$ 1,296 90
General Motors.. . . .	15,896 84
General Motors.. . . .	775 62
British Columbia Dept. of Education.. . . .	141 22
British Columbia Provincial Liberal Govern- ment.. . . .	142 72
British Columbia Health Ins.. . . .	141 22
British Columbia Board of Trade.. . . .	223 50
Imperial Tobacco (Hockey).. . . .	1,756 17
Winnipeg Grain Exchange.. . . .	184 32
General Motors.. . . .	956 46)
General Motors.. . . .	934 96)
Imperial Tobacco (Hockey).. . . .	2,059 50
	<hr/>
	\$24,509 43

That includes the one I have just spoken of.

It will be seen that the commission is, by a process which approaches confiscation, violating the understanding on which the pooling arrangement was entered into, the basis of which was that the wire companies were to have the benefit of the commercial business on a 60-40 basis—60 per cent to the telegraph companies and 40 per cent to the telephone companies. Somebody might say you are really speaking for the telegraph companies too. The only thing we can say is that our partners, the telegraph companies who were partners in the pooling arrangement, are at the same time enjoying the benefit of an exclusive contract with the commission. In fact, as you will notice in that letter of July 30 from the telegraph companies the suggestion is that we ought to consent to the commission going into the commercial business in view of the fact that the commission desired to do so. At the same time, that suggestion was not made to us until after the contract of July 17 was signed, and sealed and delivered and they had a contract for five years.

By Hon. Mr. Cahan:

Q. Outside of the General Motors and the other items which you mentioned, the British Columbia Department of Education, British Columbia Provincial

Liberal Government, the British Columbia Health Institute, the British Columbia Board of Trade, etc., do you regard those as non-recurring features?—
A. Not as non-recurring. They are recurring.

Q. I do not understand the distinction between recurring and non-recurring?
—A. It is only put on once a week.

Mr. McFARLANE: It is when several occasions are covered by contract. There may be two or more occasions. The hockey broadcast may run from seventeen to nineteen occasions. It is when specific dates and hours are set to run during the hockey season well on into March or April.

WITNESS: That is recurring.

Mr. McFARLANE: On one occasion such as the London Life, there was a special set-up with wires across Canada.

By Hon. Mr. Cahan:

Q. Would the inability of the Commission to make a definite declaration in response to your letter depend upon the continuation of the Commission? Would not the prospective dissolution of the Commission, of which the Commission were doubtless aware, lead them to a certain reluctance in entering into a continuation of some new agreement?

Mr. CAMPBELL: They made a five-year contract just recently.

WITNESS: The five-year agreement was made, as you know, in July, 1935.

By Hon. Mr. Cahan:

Q. That is July, 1935. But now you are dealing with December.—A. Are you asking me whether or not the fact that there might be some uncertainty of tenure would lead them to continue abstracting these revenues from the pool?

Q. I think that is pretty strong language.—A. I hope I am not guilty of slander; I am talking about abstracting in the commercial sense.

Q. Might it not be at that time the Commission was not in a position to give you a final and definite answer owing to the insecurity of the Commission's tenure?
—A. I cannot say what influenced the Commission, they having given me no answer. Mr. Chairman, the point was a perfectly plain one. We objected to their taking the General Motors broadcast. We say that is an invasion of the pool arrangements. All he says is: We are going to discuss it and let you know later. There does not seem to me to be any question of uncertainty of tenure.

By Hon. Mr. Howe:

Q. May I ask if there was any more uncertainty of the tenure of the Radio Commission in December, 1935, than there was in March, 1935? I would say it was much more secure in December than it was in March.

Hon. Mr. CAHAN: I should not think so, considering the fact that the Act under which they were constituted terminated on March 1, 1936, if my memory is correct.

Hon. Mr. HOWE: It also terminated in March, 1935, and was renewed.

Hon. Mr. CAHAN: We will not discuss that. I think probably they may have had some assurance that it would be continued from March 1, 1935, assurance which was not possible for them to obtain with regard to a continuation from March 1, 1936. But that is simply conjecture.

By Mr. Campbell:

Q. They did not communicate that to your company?

Hon. Mr. CAHAN: That is obvious.

[Col. J. L. Ralston.]

By Mr. Martin:

Q. In any event, your contention is even with respect to a program that might definitely be non-recurring that that was a violation of the agreement?—A. Strictly, yes. But they had notified us on September 10 that it was to be a program of that kind. I do not know that we had said anything one way or the other; we simply swallowed it, I think, and did not assent or dissent. I am talking of the fact that they overstepped completely the bounds of non-recurring programs and went into the general commercial field. At that time they were our partners and we had handed over to them the full power to collect and to make contracts for us in that field. I submit they were just trustees for us.

In the next part of the brief I am proceeding to recapitulate.

Hon. Mr. CAHAN: You have not read paragraph 56.

WITNESS: I am sorry. Paragraph 56 reads:—

The result is that the Telephone Systems, from the time the Pooling Arrangement started, submerged their own interests to those of the Commission by foregoing their right to solicit business and turned over to the Pool the business which they had already received for the forthcoming season to the extent of seven contracts to the cash value of \$20,000 odd. The only recognition which they received for this evidence of practical co-operation has been the loss of business by the deliberate action of the Commission in appropriating to itself revenues from commercial contracts which properly came under Pooling arrangement.

Now the Recapitulation, under the heading of Claim to Consideration.

The Trans-Canada Telephone System claims to be entitled to consideration on various grounds set out in paras. (1) to (10) and in paras. (22) above, which may be briefly summarized as follows:—

- (a) The fundamental suitability of their equipment for sound and voice transmission;
- (b) Their constant efforts to attain and maintain the highest standards for these purposes;

By Hon. Mr. Cahan:

Q. Is it admitted on all sides that the equipment of the telephone companies for sound and voice transmission is quite equal to that of the telegraph companies?—A. Speaking for the Trans-Canada System, I will admit it, anyway. I am sorry that I cannot go further than that. I would have thought there was no doubt whatever—again speaking as a rank layman—that equipment which had been built and devised for the purpose of the transmission of voice and sound must be better and have attained a higher degree of efficiency in order that it might carry sounds of all pitches than signals or impulses of the telegraph.

By Mr. Massey:

Q. May I hazard this without attempting to contradict you, Colonel Ralston, that your opinion is not universally accepted. There are those who say that telephone transmission lines are not satisfactory for broadcasting?

—A. I see. I think I was very careful to say that I was not even giving an opinion; that I was speaking as a rank layman. I think there are a good many here and a good many in Canada and elsewhere who have not very much doubt about the quality of the telephone system in the transmission of the voice and sound.

Hon. Mr. CAHAN: It is sometimes difficult to distinguish in these briefs between facts and arguments.

WITNESS: Yes.

- (c) Their priority in the radio field;
- (d) Their intensive activity in radio research and development;
- (e) The physical advantages of their systems on account of much wider coverage as well as less exposure to interruptions;
- (f) Their direct contribution towards the solution of the Commission's problems by the preparation of the plan for chain broadcasting which was adopted and is now in use by the Commission.
- (g) The fact that three of the units are owned and operated by Provincial Governments and the remainder are largely owned by residents of the provinces in which they operate, and that these public authorities and citizens should have equitable consideration in the business of filling the Commission's requirements for wire facilities for broadcasting purposes.
- (h) Their standing as thoroughly efficient and responsible units in the commercial life of Canada, ranking as they do among the highest in amount of investment, volume of business, and number of employees, of the public utility organizations of the Dominion.
- (i) Their demonstrated ability by sheer merit to procure and hold commercial business against all competitors in a fair field.

The experience of recent years shows definite failure to recognize these claims of the Trans-Canada Telephone System for consideration:—

- (a) Respecting the 1933 and 1935 Contracts with the Commission for wire services.

The circumstances have been set out above in paragraphs (11) to (28). In that connection the following points are particularly emphasized:—

The apparently deliberate failure to recognize the legitimate claims of the Trans-Canada Telephone System to have an opportunity at least to participate in the later stages of the negotiations in respect of the 1933 contract.

By Hon. Mr. Cahan:

Q. That is the contract continuing the services of the two telegraph companies from September 1, 1935?—A. No, sir, that is the first contract. That is the contract that was made in 1933.

Q. But it is the continuation of that contract?—A. No, sir. I come to that contract in a moment. May I make this clear. You call it a continuation of a contract. It was a contract dated April 1, 1933, for three years which would terminate on April 1, 1936. There was another contract, not a continuation, dated April 16, eight months before the previous contract expired, dated April 16, 1935, not for three years but for five years, and containing different provisions entirely, and if the rumours are correct, containing a different amount entirely as to compensation that was to be paid.

Mr. CAMPBELL: That was given this morning, but Mr. Cahan was not here.

WITNESS: All I am saying is that the contract here referred to is the 1933 contract, and is the first contract, not the continuation to which you refer.

The absolute ignoring of the Trans-Canada Telephone System in the negotiations for the 1935 contract;

The closing of the latter contract without any reference to the Telephone Companies whatever. The apparent lack of knowledge on the part of the senior members of the Commission as to these most important

commitments which had been made on behalf of the Commission involving, as they did, about one-quarter of the Commission's revenue over periods of years;

The failure even to ask for competitive bids from the Telephone Systems, public or private, although these Systems were the agencies primarily engaged in the business of sound and voice transmission, and thoroughly equipped therefore, and were pioneers in the field of Canadian network broadcasting.

Regardless of these facts, which might even have been regarded as entitling them to some preference, all the Telephone Systems expected was an opportunity to participate on terms not less favourable and on a division of business which would give them less than half,—namely, 40 per cent.

The present position as the result of the last three years' experience is that the Telephone Companies are completely excluded from supplying leased lines to the Commission for its sustaining programs until August 1, 1940.

(b) Respecting the Commission's application of Section 8(f):—

The Commission, by its action in prohibiting chain broadcasting contracts on any comprehensive basis for commercial programs, has very largely destroyed this potential agency for better broadcasts and thus loses the advantage of the assistance which commercial enterprises and initiative can give.

The exercise of this power is particularly onerous where the Commission itself competes in the commercial field with the agencies which it regulates.

The present position as the result of the last three years' experience is that the Commission, by use of its power to prohibit stations from participating in chain broadcasting in the commercial field, has not only seriously injured the telephone companies' legitimate business, but has destroyed the usefulness of the Telephone Companies in promoting high class programs from desirable commercial sponsors. This service would have furnished a second line of attractive broadcasting for Canadian listeners without any expense to the public.

In that connection, if I might be permitted to refer for one instant to a word in the brief of the Canadian Radio League which quotes from the Aird Commission. This is a paragraph headed, "Competition in Programs."

The Aird Commissioners proposed that the programs of the public corporation would compete with those of high class commercial sponsors and relays imported from the United States, Great Britain and elsewhere to provide the Canadian public with the finest entertainment available. The technical scheme thus envisaged. . . .

I think this is the Radio League's statement.

. . . might be summed up as "public ownership of stations; private enterprise and competition in programs."

My only variation to that would be public ownership of certain stations, and I think I am justified in saying that, because further the Radio League expressly points out that they do not propose that there shall be established complete public ownership of all stations in Canada. They say on page 10:—

By this we do not mean that the public corporation should envisage the ultimate ownership of all broadcasting stations in Canada. It is a matter of secondary importance whether or not the supplementary local stations are privately or publicly owned. Indeed, there is much to be said in favour of the private ownership of small local stations. But we do insist that the ultimate ownership of the high-power chain stations is essential to Canada.

Therefore I come back to the statement made on page 2.

By the Chairman:

Q. Of the Aird Report?—A. Yes, it has reference to the Aird Report. The summing up there is "Public ownership of certain stations, private enterprise and competition in programs." I submit that if the wire companies were permitted to compete for commercial programs that this would, as is stated here, furnish a second line of attractive broadcasting for Canadian listeners without any expense to the public.

I do not presume to advise this committee on the matter of radio policy, That is a serious matter for you to work out, but I do think you will have to envisage in Canada some form whereby you may have public control but at the same time you may have the benefit of private initiative and resourcefulness and competition in connection with sponsored programs.

(c) Respecting Pooling Agreement:—

The Telephone Systems, at the instance of the Commission, turned their commercial business over to a Pool for which the Commission was to make contracts and collections. These contracts amounted to over \$20,000.

The Commission now, under the 1935 contract, has acquired the right to use leased lines for commercial purposes and has, in breach of the pooling arrangement, appropriated to itself revenues from commercial contracts which properly come under the pooling arrangement and which already total nearly \$25,000, although only about four months of the year have elapsed.

The present position as the result of the last three years' experience is that the Commission is gradually and deliberately absorbing the commercial business through cutting into the terms of the pooling arrangement under which this business was to remain with wire companies by whom it has been built.

The financial result for the present years can be forecasted as follows:—

Revenues in which the Telephone Systems should share equitably—

From the Commission for wire rental for sustaining programs.. . . .	\$375,000
That is on the basis of the reported amount of the present contract.	
From commercial programs, excluding political (approximately)	\$100,000
	<hr/>
	\$475,000

There is \$465,000 that is the approximate prospective revenue of wire companies in Canada for both commercial and sustaining programs. Then look at the distribution of it as we find it after the experience of the last two years.

Prospective actual distribution of these revenues for 1935-1936.

To the Telegraph Companies—

From the Commission contract.. . . .	\$375,000
Less amounts to telephone companies for facilities supplied to telegraph companies where the latter have no suitable facilities (estimated 10 per cent)	\$ 37,500
	<hr/>
	\$337,500

60 per cent of the revenue remaining from commercial programs after the appropriation by the Commission of revenues to which the pool should be entitled under the pooling arrangement (\$75,000—60 per cent)	\$ 45,000
	<hr/>
	\$382,500

To the Commission—

Amount appropriated from pool revenues received from commercial programs (in first four months) (See note X)	\$ 25,000x
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To the Trans-Canada Telephone System—

40 per cent of the revenue remaining from commercial programs after the appropriation by the Commission of revenues to which the pool should be entitled under the pooling arrangement (\$75,000—40 per cent (See Note X)	\$ 30,000x
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To Individual Telephone Companies—

For various supplementary wire services furnished the telegraph companies where the latter have not suitable facilities to carry out their contract with the Commission (say 10 per cent)	\$ 37,500
	<hr/>
	\$475,000

NOTE X.—This is only for four months. If further appropriations take place the amount to the Commission will be increased proportionately and the amount to the telephone companies correspondingly reduced.

The net financial result would appear to be that, out of a total revenue of \$475,000 to wire companies, the telephone companies, with over ten times the mileage will receive on apportionment about \$30,000. The further \$37,500, if received, would not be on account of the acceptance of the principle of an equitable distribution, but of necessity because the telephone companies are the only ones who can furnish the facilities. Even if this amount were counted as well, the telephone companies would be receiving only about \$67,000 out of \$475,000, which is approximately 14 per cent of the total revenue, while their investment, mileage, coverage and employment are many times those of the other wire systems.

By Hon. Mr. Cahan:

Q. Supposing the new arrangement which the Radio Commission purports to carry out, whether it is entitled legally or morally to do so, is carried out, would the Radio Commission's net receipts be only \$25,000?—A. From the commercial business, if it does not edge in any further on the commercial field, and if it only keeps those contracts it will be only \$25,000 from the commercial business.

Q. So that the only difference to the Radio Commission, whether your contentions are sustained or not, is the question of \$25,000 net revenue?—A. No, sir, it is a question of principle.

Q. I am not dealing with a principle, I am dealing with cash?—A. I am dealing with cash too.

Q. Do I understand from this statement that the cash revenue which the Commission receives and which you say it improperly receives is \$25,000?—A. From these contracts, yes.

By Mr. Martin:

Q. Assuming that the Telephone Companies were in the singularly preferred position that the other companies are now in, would you have to use the facilities of the telegraph companies at all?—A. Supposing the telephone companies had the exclusive contracts, yes. We would out west, in Sudbury and several sections.

Q. To the extent of 10 per cent?—A. It would be more than 10 per cent.

By Mr. Ryan:

Q. The wire companies have to use the telephone companies to some extent?—A. They use them, yes.

Q. Is there any different scale?—A. I presume they pay for what they get.

Mr. McFARLANE: They pay standard rates for the facilities unless they make some arrangement with the telegraph companies.

WITNESS: The very fact that neither one can take it exclusively without the other indicates to us it might fairly be considered that it was a matter for co-operative arrangement rather than monopolistic arrangement.

By the Chairman:

Q. In your statement, out of that \$475,000, do the telephone companies by virtue of the pool arrangement claim they should be entitled to 40 per cent of that instead of 14 per cent?—A. No, sir, that has nothing to do with the pool arrangement at all. The telephone companies claim, with regard to their share of the \$475,000, the right to be considered in the negotiations for that contract. The pool arrangement has to do with commercial business entirely.

By Hon. Mr. Cahan:

Q. I understand that contention; but your further contention is that the Radio Commission in view of the pooling arrangement has no right to receive revenue from commercial business?—A. That is so.

Q. That is it?—A. Yes.

Q. Are you now contending that the Radio Commission has no right to engage in commercial business?—A. We say that is a matter of policy for parliament and for you, Mr. Chairman, Mr. Cahan and the rest of you. We cannot make any contention about that. What we do contend is that under the present arrangement they should not be sharing in that business. We are speaking as the Trans-Canada Telephone System, and we are speaking from that point of view.

Q. Quite so.—A. And you expect us to put forward that opinion. We think that the Trans-Canada System of wire companies can furnish an effective supplementary service to provide good radio programs for Canada at no expense to the public; and if I might suggest it, it is almost impossible to centralize the complete radio business here in Ottawa so that a body in Ottawa may regulate not only the sustaining programs but may regulate the sponsored programs which may take in every little locality all over the Dominion of Canada.

Q. As I understand you, if the Commission with the approval of the government—because it is under the control of the government of the day—desires to enter upon commercial business and take a part of the commercial business in competition with the telephone line pool, they are entitled to do it?—A. Legally.

[Col. J. L. Ralston.]

Q. As a matter of public policy?—A. Legally they are entitled to do it. But I submit that never, as a matter of public policy, should a regulating body itself go into business in connection with the very thing which it is regulating.

Q. Of course, that is another question?—A. That is this question.

Q. I disagree with you entirely; because although this commission has radio stations of its own, it is entitled as a regulating body to regulate other stations to a certain extent, under the Act as now enforced?—A. We have no complaint about it regulating other stations so long as it keeps out of business in connection with what it is regulating. It has stations of its own now which it is supposed to be using for sustaining programs. But the moment that regulating body or judicial body itself goes into business, then it seems to put itself into rather an invidious position when attempting to regulate its competitors.

Hon. Mr. CAHAN: I understand the point now.

By Mr. Ryan:

Q. It has an unfair advantage, too?—A. Yes.

By Mr. Martin:

Q. It has access to information you have not got?—A. Yes.

By Hon. Mr. Howe:

Q. There is a point I am not clear on. After all, the Canadian Radio Commission collects a \$2 fee from every radio user in Canada for the purpose of improving broadcasting in Canada. Suppose the Radio Commission say, "This is our policy," in order to serve these people, we must have a chain. We must establish a chain and use it regularly. Suppose they go further and say, "For the benefit of the business, we have decided to handle all chain broadcasting ourselves." That is, any private station is entitled to anything that it can pick up locally in the way of advertising; but so far as national advertising goes, that passes over the commission's chain. There is nothing immoral in that?—A. No, nothing immoral at all.

Q. Or nothing improper?—A. No, not improper. I am only suggesting that it is impracticable, if I may put it that way.

By Mr. Campbell:

Q. Your contention about this \$25,000 is entirely that it was business which was brought in by your company to the pool?—A. Yes.

Q. It does not include business drummed up?—A. No.

Q. They undoubtedly built up other commercial programs which you were not capable of doing?—A. Certainly.

By Mr. Martin:

Q. As I understand it, first of all you are arguing that this is something which is in violation of the contract?—A. Yes, of the pooling agreement.

Q. And then you are pointing out, as a matter of right, what you think should be the situation apart from the contract?—A. That is right.

Q. Or even if the contract were not in existence?—A. That is right. We are saying that section 8 (f), even suppose you had not the pooling agreement at all, should not be used for the purpose of depriving not only the wire companies but the stations themselves from making an agreement with private sponsors for line services or for programs or time which involves more than one station.

By Mr. Massey:

Q. Would you be good enough to explain the statement on page 35 commencing thus: "This service would have furnished a second line of attractive broadcasting for Canadian listeners, without any expense to the public." You

feel that the activities of the telephone companies have been definitely curtailed by the action of the commission, and therefore their effort for commercial programs has been essentially cut off. Why and how?—A. For the reason, as I say, that the commission says, "We will not permit you, Mr. Telephone Company, to solicit any advertising agency or any advertiser for the purpose of putting a sponsored program over two or more stations, without our permission; and our permission will not be granted until you tell us who the sponsor is and what his business is." Objection number one is that that gives the commission, which is in the commercial business, we submit, an unfair advantage, because it entitles their solicitor to go to our prospect. That is number one. Number two is that it entitles the commission at any time it likes, by regulation, to refuse to give that permission, and to take the business to itself. Number three, by reason of that it discourages completely, we suggest, and makes absolutely useless and futile the efforts of the telegraph or the telephone companies, either one, to solicit business and work out programs.

Q. You realize the difficulty which any commercial sponsor faces in any extended national hook-up or semi-national hook-up, in view of the distances, and the lack of density of population. Accordingly, it is only the rare sponsor who is able to pay the charges for a network. I think it has had a great deal to do with the fact that there has been very little Trans-Canada broadcasting of commercially sponsored programs. I speak from some experience with an advertising agency. It was almost impossible to convince the client that it would pay him to broadcast his program because of the cost. Some years ago it was a matter of \$1,600 for a complete national hook-up for an hour's program. That, of course, would probably be in excess of the talent cost. May I ask if there are any changes in the rates in connection with these national hook-ups? What are the rates to-day for an hour's program?—A. I must say I cannot tell you. I have not any instructions about that whatever.

By Mr. Campbell:

Q. That is not saying that you want the chain to compete?—A. That is not. I was interested in Mr. Massey's view and his idea. I am bound to say that I do not listen to the radio a great deal, except I do like Jack Benny.

By Hon. Mr. Howe:

Q. It seems to me that this chain broadcasting is very closely tied up with regulation. You expounded in the first part of your brief an objection because you were not allowed to hook-up the two principal stations in eastern Canada by the chain through Canada. That is, in effect, an extension of the Columbia Broadcasting Company across Canada, and I think that was the very thing the Radio Commission was set up to protect us against. Was that not the fact?—A. I do not know what the Radio Commission was set up to protect us against.

Mr. CAMPBELL: Both stations were getting it.

Hon. Mr. HOWE: Both stations were getting it by direct line. But it is a little different to setting up wire lines in Canada.

Mr. McFARLANE: To-day we would answer your question "no".

Hon. Mr. HOWE: That was not the case?

Mr. McFARLANE: No.

Hon. Mr. HOWE: I understood it was.

Mr. McFARLANE: That is the interpretation put on it, but that was not the fact.

WITNESS: I am interested in what Mr. Massey said. He spoke particularly about the difficulties and expense of broadcasting across Canada. I am think-

[Col. J. L. Ralston.]

ing more particularly about the sponsor who does not want to go across Canada, but who wants to go in a certain section of Canada and put on a program from three or four stations.

By Hon. Mr. Cahan:

Q. If I have followed you correctly, that is your real contention, with regard to connecting up with more than one station?—A. Yes. That is only one of the contentions. I do not want the committee to get the idea, when we speak of network systems, that we are talking about connecting up for a national or transcontinental broadcast. A lot of the business comes through sectional networks.

Q. Almost the entire commercial business comes in that way, does it not? —A. I would think so. But Mr. Massey was rather pointing to the fact that it was very expensive for a Trans-Canada broadcast. I say that is not a business chain. I think most of the business which is worked up by us would rather be sectional broadcasts from three or four or five stations rather than from all across Canada. I just think as a Canadian—perhaps if I may speak out of my role for a moment—that perhaps we are thinking too much of the situation in England or in the British Isles where they have a dense population, short distances, and where, as I understand it, the B.C.C. can put on about five programs at a time, compared with Canada where we have these immense distances where there are not any radio licences at all, and where we have got to have somebody paying for the broadcasts, and the licences, few in number, cannot do it. The suggestion is that possibly the advertisers might be called on for that purpose.

Mr. MASSEY: If I am not out of order, I should like to make a suggestion at this point. I think one of the most important functions that this committee can perform is to evolve some way or some means of presenting to the prospective commercial sponsors line charges that are within reason. Because after all, if you have a program, an hour or half hour program, the talent for which cost say \$500 or whatever it may be and your line charges are \$750, the sponsor is very reticent in accepting such a proposition. I should think there would be some possibility in the light of the evidence that has been given to us to-day, from what we know about the telegraph company and about which we will hear more, that there can be some arrangement through the Commission or whatever body it may be, to present to prospective commercial sponsors either Trans-Canada or sectional lines that could be purchased at a reasonable price. That, I think, in the light of some experience, would be the most constructive step we could take in the building of Canadian commercial programs of a caliber that you and I like to listen to. I think the committee should give some thought to that.

WITNESS: I may add to that the idea we had for the fixing of some standard rate that is a fair rate, that is a constructive rate, that is a rate that will get business.

Mr. MASSEY: Exactly.

Mr. MCFARLANE: May I say that we can give the committee the history of the radio advertising since the start of radio in 1922; and there has been a substantial reduction.

By Mr. Martin:

Q. Have you any information, Colonel Ralston, which would show the rates paid by some of these companies when the pooling arrangement was in full force and in comparison with the rates paid since to the Radio Commission by the various companies who advertise?—A. Have we any information as to the prices paid by sponsors to the wire companies or to the stations themselves as compared with the rates paid by the sponsors to the Commission?

Q. Yes.—A. I suppose we would not have. We have not been able to see the contracts. I do not imagine we have been able to see the Commission's accounts.

By Hon. Mr. Cahan:

Q Suppose we proceed with your submission?—A. Yes.

Q. Then we can have general argument later?—A. I am just finishing my submission. That really is a recapitulation of what was said at the beginning.

SUBMISSION

(61) The Trans-Canada Telephone System therefore respectfully submits that appropriate remedial measures are called for, and suggests the following:

(1) That the whole matter of the leasing of land lines by the Canadian Radio Broadcasting Commission be revised with a view to affording to the telephone systems of Canada an equitable share of this business.

By the Chairman:

Q. Under a competitive basis?—A. Oh, sure. Continuing:

(2) That in such revision two fundamental conditions should be observed, namely:

(a) That no single national wire system or combination of two wire systems should have a contract to the exclusion of other wire systems.

(b) That the entire revenue from leased wires for Canadian Radio Broadcasting Commission be divided on an equitable basis between the telephone and telegraph systems

(3) That in respect of commercial business the policy of the Canadian Radio Broadcasting Commission be revised so as to permit the full development of high class commercial programs under competitive conditions between all the agencies concerned, subject to regulation of the Commission, in cases where the interests of national radio may be adversely affected

Thank you very much, Mr Chairman and gentlemen, I am sorry to have been so long

By Hon Mr. Cahan:

Q. Your contention in respect of an equitable distribution of revenue between the Trans-Canada Telephone systems and the C.P.R. and C.N.R. telegraph lines, the 40-60 per cent division is an equitable division?—A. Our submission is that it is extremely equitable from the telegraph systems' point of view. We are not so sure it is equitable from the telephone companies' point of view. As Mr. McFarlane said, we are prepared to accept that as a compromise basis. That has been the ratio of division in our pooling agreement, and was the ratio of division suggested in the plan which we submitted in 1932.

By Mr. Martin:

Q. That problem has been in my mind all day, why the 60-40? If you have greater coverage, this committee might possibly view the suggestion that you make as not being equitable towards yourselves or towards the whole problem. Why the 60-40?—A. Mr. McFarlane made the only answer that I know of.

Witness retired.

[Col. J. L. Ralston.]

Mr. McFARLANE: Another point is that if you look at the telegraph system as 30-30, 30 each—that is the C.N.R. and C.P.R.—and 40 for the telephone companies you will perhaps get a better proportion in mind.

Mr. McINTOSH: The matter would be one for the fullest negotiation before a new contract would be arrived at.

Hon. Mr. CAHAN: May I have your view on that?

Mr. McFARLANE: Yes. The view is that distribution for wire mileage for the Radio Commission should be on the most economic distribution, with the best of coverage, using the shortest line and the best facilities available.

Mr. McINTOSH: In order to give the best service?

Mr. McFARLANE: Yes.

Mr. McINTOSH: At the lowest cost?

Mr. McFARLANE: In view of the fact that Mr. Weir's name was brought into the evidence, I understand that Mr. Weir is in the audience here. He might throw a little light on how this matter was arrived at in the early stages.

Hon. Mr. CAHAN: Who is Mr. Weir?

Mr. CAMPBELL: I do not know what his title was, but he was formerly connected with the Radio Commission.

The CHAIRMAN: Mr. Weir was Director of the Canadian National Railways Radio Department, and was associated with the Radio Commission from its inception.

Mr. CAMPBELL: I beg to move that Mr. Weir be called.

Mr. RYAN: I thought we decided that this morning, that he be called.

The CHAIRMAN: Is it the wish of the committee to hear Mr. Weir?

Mr. RYAN: I will second the motion.

Hon. Mr. CAHAN: I would suggest that I do not think the time is opportune to call Mr. Weir. I think certain charges have been made against the Radio Commission which they should have the opportunity of meeting.

Mr. CAMPBELL: They will be given the chance.

Mr. McINTOSH: When would you want him called?

Hon. Mr. CAHAN: Well, I do not know. They should have an opportunity of reading these briefs and making a reply.

The CHAIRMAN: But the Radio Commission will not have had an opportunity of reading these briefs, because they were only presented this morning. I think in all fairness to the Radio Commission, we should allow them to have time to peruse these briefs. Probably they will be able to reply later.

Mr. MARTIN: There is this further fact that we gathered, from the evidence given this morning, that the evidence will not be complete unless we have Mr. Weir's story. I do not think that we are in a proper position, in fairness to the Radio Commission, to examine them until we know exactly what Mr. Weir, who is employed by the Commission, has to say with respect to the matters submitted by Colonel Ralston this morning, and Mr. Major.

Hon. Mr. CAHAN: It is definitely understood that Mr. Weir is not employed by the Commission now, and cannot give an answer on behalf of the Commission.

Mr. CAMPBELL: We are only asking him regarding the dealings up to the 1933 contract. He was the man negotiating with these gentlemen. We are not interested from that time on.

Hon. Mr. CAHAN: What bearing has that on the present investigation?

Mr. CAMPBELL: I think it has a great deal, that original agreement.

Mr. McINTOSH: It will clarify a certain amount of the evidence we have had this morning.

Mr. CAMPBELL: On the 1933 contract.

The CHAIRMAN: Will Mr. Weir please come forward?

ERNEST A. WEIR, called.

WITNESS: I have a number of copies of my brief. Unfortunately I have not enough to go around to everybody, but I think if you spread them around a little bit, we can manage.

The CHAIRMAN: Mr. Weir, your name was mentioned this morning by Mr. Major; and I think Colonel Ralston also mentioned your name, but I am not positive. Probably you might be able to throw some light on some of the statements made?

Mr. HANSON: Is he submitting a brief or is he a witness?

WITNESS: I came here with the idea—pardon me.

Mr. HANSON: I am just asking if he is submitting a brief, Mr. Chairman. If he is a witness, I want to have him sworn the same as the rest of them.

The CHAIRMAN: Mr. Weir is submitting a brief. I think we could put it on the record.

Mr. CAMPBELL: I did not know that Mr. Weir had a brief. The reason I was interested in him was just to clear up the part that was brought out.

WITNESS: I see. You would like to clarify what was said this morning where my name was mentioned?

Mr. CAMPBELL: Yes.

WITNESS: I have a brief which I came to present, not anticipating at all that this question would arise during the discussion this morning. I am glad that I am here, because I may be able, to some extent, to clarify it.

Hon. Mr. CAHAN: Would you tell us who you are, so we will know?

Hon. Mr. RALSTON: I only mentioned Mr. Weir's name in reading Colonel Steel's evidence.

Mr. CAMPBELL: Yes.

The CHAIRMAN: Of course, there was an inference read into the record this morning, gathered from a letter written by Colonel Steel, where Mr. Weir was concerned. It is in Mr. Major's brief, I think.

Mr. MAJOR: No. I did not mention Mr. Weir.

The CHAIRMAN: Then it was in Mr. Ralston's?

Hon. Mr. RALSTON: Just in quoting from Colonel Steel's evidence.

Hon. Mr. CAHAN: Mr. Weir might tell us who he is and his relationship to the commission so that we will understand his position in the matter.

WITNESS: I might say, Mr. Chairman and Mr. Cahan, that I was in charge of the Canadian National Railways radio activities for some four years. Then for the first six months of the Commission's existence I was with the Radio Commission, during which time I was acting director of programs.

By Mr. Martin:

Q. Who was your successor?—A. I should say Mr. Bushnell. At that time the Chairman put under my charge, during Colonel Steel's absence, certain negotiations with the wire companies which commenced late in November and continued, so far as I was concerned, until the latter part of February.

By Hon. Mr. Cahan:

Q. In what year?—A. 1933. But I had no part in those negotiations after, I should say, about February 20. The statement, which was read by Colonel Ralston this morning out of the record of 1934, that this ran into March is

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not quite correct. I carried on negotiations by conference and correspondence with the three transmission companies, the Canadian National and the Canadian Pacific who were acting together, and the Trans-Canada System. We asked them for prices. What we laid down was this: The original submissions were submitted on a basis of sixteen hours a day. Obviously at that time, with nothing to put on the air, to engage wires for sixteen hours a day would have put the Commission not in a good light, because the question would have immediately been asked, "With nothing on the air, why should you engage services for sixteen hours a day?" So we asked them to submit prices on a basis of five hours. I think it was 7 to 11 in the Maritimes, 6 to 12 in the central zone, 6 to 12 between here and Winnipeg, 5 to 11 between here and Regina; from Regina to the mountains a little shorter time and about the same number of hours; in other words, measuring from 6 o'clock in the evening until 12 o'clock on a continuous hourly basis. That is, that the Commission would have at its disposal the continuous use of circuits across the country over which it could route its own programs. What was in my mind was to route not only its programs but the exchanges which it might take from one station and throw back and route to another station, and vice versa; so that it would not only supply its own programs to these stations but it would build a sustaining service amongst the stations. Also I am frank to say at that time in my own mind there was the idea of routing commercial programs over these wires; but that the wires should be engaged on a continuous hourly basis, not for certain specific hours which was later carried out. That is, the Commission as I understand it later reached an arrangement whereby certain specific hours—possibly four of four and a half hours in the evening—were set aside for carrying its sustaining programs. I secured from the various companies quotations on that basis.

By Mr. Campbell:

Q. Was that basis finally carried out?—A. Well, without having seen the contract I am in the same position as Colonel Ralston to a considerable extent. But I believe the basis finally carried out in 1933, and 1934 anyway, was for certain specific hours during the evening for sustaining programs.

By Mr. Edwards:

Q. Was Trans-Canada Telephone asked to tender on that arrangement?—A. Well, at the first meeting we had in Montreal—

By Mr. McIntosh:

Q. What date was that meeting?—A. It would be at the end of November or very early in December 1932. There were present representatives of the three transmission companies, and they were asked to submit a schedule of the rates, not necessarily a tender, but something that we could get down to a general basis on. Subsequently correspondence was carried on with them asking for a more restrictive time because we had not the money to pay for a lot of hours.

By Mr. Dupuis:

Q. Who was there at that meeting in Montreal representing the companies?—A. Were you there, Mr. McFarlane? Mr. Charleworth was there. Commander Edwards was there. I think Mr. Neil and Mr. Galloway; but I am not certain of the representatives of the telephone companies.

By Mr. Campbell:

Q. The inference this morning was that you probably set these companies one against the other, which I say was good business?—A. I see. Let me say this: Later, knowing that we did not want the wires on an all day basis at that time—

Q. You wanted the best price?—A. We wanted then a continuous hourly basis for the evening hours. We secured from them suggestions as to the rates which they were prepared to submit. This took considerable time and finally in January, the middle of January—I have not the exact date here but approximately the middle of January—submissions were made by Trans-Canada, the C.N.R. and the C.P.R., the latter two as one submission.

Q. Let me read this evidence again. This is what struck me this morning when Colonel Ralston read about Mr. Weir: This Colonel Steel's evidence before the 1932 committee: "Mr. Weir was attempting to set one company against the other under the mistaken impression that he could thus obtain a very much lower rate." With regard to that mistaken impression, can you explain that?—A. Well, no.

Q. Just let me read further: "After a little investigating it was found necessary to take these negotiations out of his hands during the latter part of March, and carry them on directly between the Commission and the companies concerned." You say you had left the Commission before that time?—A. No. It was in June.

Q. In June?—A. Yes.

Q. And they took them out of your hands?—A. Yes.

Hon. Mr. CAHAN: From what are you reading?

Mr. CAMPBELL: I am reading from the evidence of the 1932 committee.

Hon. Mr. CAHAN: Yes, quite so. But are we reviewing the 1932 evidence?

Mr. CAMPBELL: It was given this morning. That is how it came up.

The CHAIRMAN: It was read into the record this morning, referring to Mr. Weir, by Colonel Ralston in presenting his brief.

Hon. Mr. CAHAN: The question is why was Mr. Weir handling it?

By Mr. Campbell:

Q. No, no. I am wanting to know how this contract was entered into.—A. Well, Mr. Campbell, at the time just following the submissions by the telephone companies, probably three weeks after, we received a long distance telephone call from Mr. Lowry in Winnipeg, asking if we were open to receive submissions from them, and I said send them on. They came down and submitted a schedule of prices which you heard from Mr. Major. I am frank to say when I heard those prices I was extremely pleased because I saw in them the possibility of reducing rates. I was not concerned how they got the business, as far as that went, as long as the Radio Commission got it at the smallest price and the best service for the smallest price. But immediately subsequent to that time, and still in the month of February, not in March, the negotiations were taken out of my hands and I had nothing more to do with it.

Q. You were not even consulted?—A. In no way shape or form.

Q. At that point, according to Mr. Ralston's contention and Mr. Major's contention the negotiations were carried on only with the telegraph companies?—A. Well, I cannot say as to what happened afterwards. That is where I finished in that picture.

By Mr. McIntosh:

Q. That is where you dropped out of the picture?—A. Yes.

By Mr. Martin:

Q. You said Mr. Major 'phoned you?—A. Mr. Lowry.

Q. Yes, Mr. Lowry. Had the other line companies and the railways been notified and not the company represented by Mr. Major?—A. We had been dealing with the Trans-Canada System as a unit at that time and I did not know

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what the attitude was between the prairie systems and the Trans-Canada, whether there was any possibility of splitting, if you like, that question.

Q. Did you have any discussion with Colonel Steel about the merits of the proposal as put forward by the telephone companies represented by Mr. Major and Mr. Lowry?—A. When I turned over to Colonel Steel, I turned over all the material that was in my files at that time. There was attached a memorandum of comment on some of the things that might be observed and paid attention to, and some principles in connection with the matter, but nothing more than that. I simply turned the file over and that is the last I heard of it.

Q. There was no discussion?—A. There was no discussion.

By Mr. Campbell:

Q. From this evidence you would wonder why it was taken out of your hands?—A. I wondered at the time.

Q. It says, "After investigation it was found necessary to take the negotiations out of his hands."—A. It took considerable time. We had the set-up pretty nearly of what we wanted for evening service across the country and the wire companies had to consider it carefully because it was a different proposition from what they had at first anticipated, so that it took considerable thought on their part to submit prices and still include what we had in mind. So we were further considering it when the Western telephone people submitted their proposals, but after that, and immediately after that, I dropped out of the picture.

Q. Did you leave the Commission of your own accord?—A. Not till June. I had quite radical differences with the Commission.

Q. And you resigned?—A. No, I don't think I could say that.

The CHAIRMAN: Will you go ahead with your brief, Mr. Weir.

By Mr. McIntosh:

Q. If you had been allowed, Mr. Weir, to continue those negotiations you would not have had any difficulty in the world in coming to a satisfactory conclusion in the way of a contract, would you?—A. I do not think in the slightest, because I am frank to say that I held in my hand then what I thought was an ace in the right direction. It might not have been, but I thought it was, and my idea was to effect a combination of all the wire systems so that the business would be pooled and divided amongst the lot, because I believed that only the most efficient service could be secured by such an arrangement, and I still do.

Q. Your objective was to include the two telegraph companies and also— —A. And also the telephone systems.

The CHAIRMAN: Will you go on with your brief, Mr. Weir.

WITNESS: Yes.

The appearance of the speaker before your committee to-day is predicated solely upon the belief that something of constructive value in the interests of better broadcasting in Canada as a whole may be contained in this brief or arise from subsequent discussion. So this contribution must be regarded mainly as suggestions based upon observation and experience.

These suggestions are designed with the thought of giving maximum service to Canadian listeners without requiring special grant from the Government at this time, without destroying the structure and the assets built up over a period of years by private broadcasts and yet conserving radio as an increasingly important medium in national communications and development.

The plan suggested recognizes the necessity for a measure of public service broadcasting and seeks to develop a structure which at some later date might

be absorbed into a more pretentious nationalized scheme, if and when that may be considered wise.

By Hon. Mr. Cahan:

Q. I have looked over your brief. You are making recommendations here for a reconstruction of the organization of the Commission?—A. Yes.

Q. And it deals solely with that. Have you been asked to make such a proposition to this committee?—A. Well, not directly. I was asked and I suggested I should appear before the committee.

Q. You are making this voluntarily?—A. Voluntarily.

Q. On your own initiative?—A. On my own initiative.

Q. Giving your views with regard to the reconstruction of the Commission?—A. That is correct.

The CHAIRMAN: For the benefit of the members of the committee, Mr. Cahan, I might state that as far as my knowledge goes, anyone who has appeared or who is going to appear before this committee has been asked to make representations along certain lines.

Mr. McINTOSH: Yes, but surely no witness was exactly told what to do.

Hon. Mr. CAHAN: I am not suggesting that, but I am questioning the competence of this witness, and his submissions will have to be taken for what they are worth.

Mr. McINTOSH: Is he not giving his ideas on the reference before the Committee?

Hon. Mr. CAHAN: Yes.

Mr. McINTOSH: If he is, what is wrong with it? He has been called by the Chairman and the sub-committee.

The CHAIRMAN: Mr. Weir asked to be allowed to appear before the committee. There was a motion put before the committee, and there was not a dissenting voice, Mr. Cahan, and I think Mr. Weir has a perfect right to present his brief now that he has been allowed to come forward.

Hon. Mr. CAHAN: I submit at once that I have no objection, Mr. Chairman.

Mr. RYAN: We have been asking for constructive views ever since we started.

WITNESS: It seeks to conserve that which already has been created and such advantages as private initiative has to offer, at the same time supplementing these with those services which geographical and other peculiar conditions of this country render necessary or advisable in order to round out and build up a practical, unified scheme, capable of best serving national needs.

It is assumed:—

1. That the protection of national interests in the field of communications; encouragement of native talent, art and culture; and the development, in so far as feasible through radio, of a spirit of unity among the people of the far flung areas of Canada, are of fundamental importance to our national life.

2. That some central co-ordinating radio organization is important in uniting, harmonizing and giving a lead to the various broadcasting organizations, musical bodies, educational institutions, etc., which might and could make worth while contributions to those ends just mentioned.

3. That, for the present at least, whatever efforts are undertaken in the field of nationalized radio might well be financed out of income from licence fees or whatever other method of raising money may be adopted and not to any appreciable extent, if at all, from state subsidies.

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By Mr. Martin:

Q. What do you mean by that? You are not suggesting that we can have nationalized radio just through the agency of fees?—A. Well, a certain development of it through that, plus commercial broadcasting.

Q. But you do not state that?—A. I suggest that it might be financed out of the licence fees, and I develop the other later on. Possibly that is not as clear as it should be.

4. That, inasmuch as Canadian Radio must depend mainly for a period of years at least upon the operations of private broadcasters in all parts, unless the Government is prepared to embark upon an extensive and expensive policy of expropriation and capital construction, some assurance of reasonable protection should be given to private broadcasters for a period of, say, five years. This would assure them a genuine opportunity to improve their service and put their operations on a sounder basis. In return they might reasonably be expected to continue to give the really fine co-operation to the Radio Commission which I believe has generally characterized their operations up to the present.

Granted these premises, the following is suggested, and these are only suggestions:—

Continued Licence Fee. Continue the licence fee of \$2 to be collected by the Department of Marine as at present. This fee insures a reasonably constant and slowly increasing income annually, a sum which would be difficult to equal by any other method. Moreover, if the licence fee were abandoned it might be found very difficult to re-instate it.

Q. Have you considered the possibility of collecting from the user of a radio a sum of money in any way other than the imposition of the \$2?—A. There have been various suggestions, such as the imposition of a tax on tubes.

Q. What about that?—A. I do not think that is very practicable.

Q. Why?—A. Because I think the tax would have to be too great.

Mr. McINTOSH: That viewpoint has been practically abandoned, has it not?

WITNESS: I think so.

Q. What is your opinion about a \$2 fee as compared with a \$3 fee?—A. I think it should have been \$3 in the first instance, but I think it would be very difficult to make it \$3 at the present juncture.

By Mr. Martin:

Q. Have you made any study at all of the practice in other countries with regard to trying to get moneys in this way from the users of radio?—A. Well, generally I think it is on a licence fee basis.

Q. What is it in England?—A. On a licence fee basis solely of ten shillings, about 40 per cent of which goes back to the Government, the B.B.C. retaining the balance from which it finances its operations.

Q. Ten shillings?—A. Ten shillings.

Q. What is it in Germany?—A. Well, I am not sure but I think it is considerably more in Germany.

Q. Is there a licence fee or is it on the tube basis?—A. Licence fee.

Q. Is there any country where it is collected on the basis of tubes?—A. Not that I am aware of.

The CHAIRMAN: I think Commander Edwards will be able to give us that information when he comes before the Committee.

WITNESS:

Re-organize Commission.

Abolish the present set-up of three salaried Commissioners and substitute for it an Advisory Board of five, with a Chairman who would also be the General Manager appointed by the Minister of Marine. A large board and especially one having representation from all the provinces as suggested in some quarters would be cumbersome. The members of such a board should be selected, not only on any geographical basis, but for their qualifications, e.g. a broad interest in public affairs and especially including broadcasting itself, and their standing in public confidence.

By Mr. McIntosh:

Q. Would we not be able to get highly qualified representatives in all the different broadcasting zones? You would not surely attempt to draw all the members from any one or two zones and thereby foolishly and dangerously centralize your board. That would not be fair or workable.—A. I would not centralize it too much.

Q. But you would want a representative board, you would not want to get away from that, would you?—A. Not at all. This Board should not contain appointees representing organizations from which the Commission would in all probability be buying services or doing business in a major way. The board, in collaboration with the Minister would be responsible for policy. Responsibilities of General Manager.

The general manager would be charged with the carrying out of policy. He should know broadcasting, have a keen sense of public relations, and first hand knowledge not only of Canadian broadcasting but of economic, educational, social and political conditions throughout the Dominion. As the improvement of the program service is of great importance, he should have a lively appreciation of the necessity for this, with vision and preferably some reputation for the accomplishment of something worth while in that line.

The general manager would build up his own organization. In all supervisory and program activities these should be outside the jurisdiction of the Civil Service Commission. Purely clerical and stenographic might be left with that service.

The general aim in the immediate future should be to so adjust expenditures that a substantially larger proportion of the net sum available from licence fees would be spent on first class programs, and a smaller percentage on other expenses.

By Mr. Martin:

Q. Mr. Weir, going back to the last paragraph on the second page of your brief, "The General manager would built up his own organization. In all supervisory and program activities these should be outside the jurisdiction of the Civil Service Commission"?—A. That is my opinion.

Q. You mean the artists?—A. The artists and chief executives.

Q. Why should they be outside?—A. Well, I think it gives a freedom of action in their selection and in their discharge, if you like, if they are not efficient and if they do not keep alive and on their toes, something that you probably could not get in any other way.

By Mr. McIntosh:

Q. A more elastic structure?—A. I think, with due respect to the Civil Service Commission and appointments made in that way—and I have a great respect for it—that in an organization of this particular kind, spread across, it is not conducive to keeping men on their toes to the greatest extent.

By Mr. Woodsworth:

Q. Is there anything in your own experience that warrants that conclusion?—A. No, I would not say that. I am content.

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Q. In this particular case is any person expressing a personal opinion?—

A. No, I do not think so, Mr. Woodsworth.

Q. What I want to get at is, is that a matter of general policy?—A. Yes.

Q. About which you are being asked and you are expressing yourself. Is there anything in your own experience that warrants such an expression of opinion? Have you found the men that come from the Civil Service are not on their toes; that they lack initiative?—A. I think sometimes it is true, especially in a business of this particular type.

By Mr. McIntosh:

Q. Your own conviction, apart from any experience you have had with the Civil Service Commission, is that this is the best solution?—A. I have been in the Civil Service, not in Ottawa, but in years past I was in the Service and I could not help feel that way about it. It is not true in every instance. I do not pretend to say that, but for this particular type of business, in the higher categories, that would be my judgment.

The above is the simple framework. In developing and operating policy adoption of the following features should go far toward ensuring the most successful and economical service with the minimum of friction.

Extend Leased Wire Service to 16 Hours Daily.

Extend the now limited leased six hour wire service of the Radio Commission on national and regional networks to a full sixteen hour a day service from 8 a.m. to 12 p.m.

During the past two years the Radio Commission has leased transmission circuits from the two telegraph companies for carrying programs across Canada, with certain auxiliary services at times from the Bell Telephone or its allied companies in Eastern Canada. This service, during 1933, 1934 and to August, 1935, was for four to four and one-half hours evening time daily staggered across the country with a little extra time on Sunday. Last August this was increased to six hours of evening time, from 5.30 p.m. to 11.30 p.m. The leasing of time on continuous basis over the entire evening period was urged on the Commission in the earliest months of its operations, and the original price negotiations with the transmission companies were conducted by the speaker with that in view, the idea being to not only carry the Commissions own productions but to supplement its service with program changes and additions from various other sources, including sponsored commercial network programs.

The Commission, however, restricted itself almost exclusively to time for carrying its own productions and occasional American Exchanges. Ultimately it adopted the principle of centralizing the control of all network casting under its auspices, and arranging for the routing of all network commercials as well as its own productions.

What is suggested now is that the Radio Commission's six hours a day contract should be revised and expanded to sixteen hours a day from 8 a.m. to 12 p.m. exactly as is done by the large networks in the United States. Some may think that such an extension is unwarranted and if the charges for sixteen hours were proportionate with that for six hours, that might be so, but they are not proportionate and a sixteen hour service would enable a great many things to be accomplished entirely disproportionate to those possible under the present limited service.

In Toronto and Montreal there are stations on each of the NBC and CBS networks. The primary reason for this is not for the commercial income derived therefrom but to assure to these stations a supply of sustaining programs at economical prices with which to enable them to be on the air for sixteen hours, thereby maintaining the maximum listening audience. It is a fundamental in radio that intermittent operation a few hours on and off the air is fatal to the

maintenance of audience, and the profitable operation. The most prosperous stations are those on the air continuously. There are a great number of stations in Canada now on the air only part time and this includes five out of six operated by the Commission itself. Instead of operating continuously practically all of them are on and off intermittently, or do not start until 5 p.m.

By Mr. Martin:

Q. How many Canadian stations are on the air only part of the time?—

A. I could not answer that exactly; quite a number.

In Canada we have peculiar coverage conditions, practically all stations wherever located having as great or even greater coverage during day than at night when they suffer disproportionately from overlapping from the United States and especially during evening hours. During day, however, they have the air pretty much to themselves. This pertains to the Maritimes, to Ontario, and to the Prairies especially, and it creates a condition not a theory which should be faced in a practical way. In other words the creation and maintenance of a consistent all day service would be a very big step toward the improvement of broadcasting all across Canada.

Canada fully equipped with Broadcasting Circuits.

Canada is equipped in nearly every part with extensive and duplicated wire networks provided by the two railways and the telephone companies. These networks were established almost in their entirety before network broadcasting was seriously thought of. The institution of carrier current by the two railway telegraph systems between 1929 and 1931 enabled them to handle their regular daytime telegraph business with such remarkable rapidity that when the evening hours came their circuits were comparatively free for broadcasting and, as a result, network broadcasting became a practical possibility all across Canada. Canada is as amply provided with the physical means of wire communication whether for ordinary business purposes or for broadcasting as she is with railways and the latest improvements in telegraphic and telephonic communications make it possible for broadcasting circuits to be provided for sixteen hours daily without any great additional strain or expense, aside from some relatively small increased labour charges. The whole broadcasting structure is available and in the main has been provided without any substantial additional capital expenditures over and above those needed to carry on normal day-time business. These facilities ought to be made available in the interests of national communication, education, and business for sixteen hours daily for very little, perhaps no more net, than is being paid now for six hours. This is not theory but quite within the bounds of possibility.

The next part I am not going to include because it was dealt with by Mr. Major this morning.

You may be told by the Commission that it was obliged to deal exclusively with line companies having wire systems across the entire country, and that there was no physical means of tying in the Western phone lines with the railway networks, but I submit these were more theoretical than practical, and what was needed was a keener appreciation of the realities of the situation by the Commission.

It was suggested by the speaker to the present Radio Commission three years ago that a special co-ordinating organization should be set up by all the wire companies concerned in leasing their facilities to the Commission which body would carry on all dealings with the Commission, would pool the business and would be able to offer a service superior to anything that can be provided in any other way. From the standpoint of broadcasting in Canada, that should still be done, and if such a pooling were set up a more economical rate could be provided and a service estab-

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lished over sixteen hours a day at figures little in excess of those now paid for six hours, affording broadcasters a substantial income, which should more than offset any extra costs.

Make Complete Survey of All Wire Facilities as Basis for Determining Rates

Unquestionably the matter of determining proper broadcasting rates in this country is complicated and difficult. Network rates, except in the east of the Western Telephone lines, have been based primarily on the rates prevailing in the United States. The extent of public ownership of the wire communication systems in this country, embracing the Canadian National Telegraphs and the Western Provincial Telephones, plus the nature of the service demanded in the national interest for radio broadcasting in all its ramifications makes it reasonable to suggest that a body should be set up to make an impartial survey of the whole existing wire facilities throughout Canada. This might cover an examination by experts of the total facilities available, the capital invested in special broadcasting equipment, duplication and repeated stations especially terminals, etc., the actual labour outlay for broadcasting over and above that required for other concurrent services, and the better co-ordination of all these facilities so as to give the utmost service on a sixteen-hour a day basis at a minimum price. Experts conducting such a survey might include a representative conversant with the details of broadcasting facilities and its ramifications in the United States and one from the engineering department of the Canadian Radio Commission itself. Contracts for transmission facilities should be tentative pending such a survey.

Building 16-Hour Program Service

It may well be asked how it is proposed to utilize a sixteen-hour daily network service, and how it can be made most valuable at least outlay. It is proposed to set up an interchange among all Canadian stations privately or Commission owned, of sustaining programs of such merit as warranted their distribution. Stations now have to create a number of sustainers of their own. Stations should be encouraged to improve such sustainers, urged to create something even more worthy of their station and community. In this they might even be helped in some measure financially. All stations would be given credit, on the air, for these programs and a friendly rivalry developed in their creation.

By Mr. Martin:

Q. How are we going to give them some measure of financial assistance?—

A. In some cases they might be helped in some way to improve these sustainer programs in some parts of Canada.

Q. Do you mean they should be paid by the Government?—A. I have not worked it out, but I think there are places where that might well be done.

Q. There are many places, but how is it to be done?—A. By the Commission making certain allocations. The Commission, for instance, has paid stations this year for carrying its programs. In at least one case they included, I believe, the creation of a certain number of programs, and I do not see why that could not be continued.

By Mr. Campbell:

Q. Do not they pay most of them?—A. They pay certain stations on their basic network for broadcasting their programs.

As they would receive in exchange several times as many and generally better programs than they supplied, they would be expected and could afford to put much more time and effort into these sustainers. In develop-

ing a competitive interest among many stations their programs would be bucked up, and a greater interest among all stations in program improvement would be created. Local talent and community effort would be encouraged, a large number of reasonably good programs for network distribution furnished free of cost, and stations saved money.

This practice the present Radio Commission was urged to adopt nearly three years ago, when it could have been done more easily and effectively. The practice suggested was carried out in a minor way by the Canadian National Railways before the present Commission came into existence and is practised to-day by the Mutual Broadcasting System in the United States.

Developing Outstanding Sustaining and Special Event Programs.

Create a limited number of definitely outstanding features from the main studios of the Commission. These should be first class productions of a standard such as to make them particularly attractive to stations and listeners. Far too much money has been wasted by the present Commission on mediocre programs. These Commission creations would also include a larger number of special events transpiring in all parts of the country, programs such as no station could afford to pick up or create for themselves. The aim would not be to build up a large program organization but rather through a small group of first class producers with the ability to lead the way in national broadcasts to set up a service of special events and varied creations worthy of national and international distribution.

Extend the Best American Sustaining Features Across Canada.

Extend across the entire country the very best sustaining features from the several major American networks. These would not supplant Canadian productions but they would help to extend the total hours of broadcasting thereby enabling many stations to stay on the air longer and with far better programs than now, and give the remaining 40 per cent of Canadian listeners the more select parts from these sustaining services which over 50 per cent of Canadian listeners now get through stations in Toronto and Montreal, already members of these American networks. A little of this is now being done, more particularly on Sunday afternoon, but it is susceptible of great extension at small cost.

Import More British and Continental Programs.

Broadcast on national and regional networks a larger number of programs by short wave and blattnerphone exchange from Great Britain and other countries as these can be developed. There are unlimited possibilities in this.

Develop Sponsored National Programs for National Distribution.

Extend sponsored network programs of both Canadian and American origin across Canada. It is believed that suitable arrangements could be made with stations and advertisers whereby it would be possible to add a fair number of important features in this way and more than offset any additional cost of transmission service for the extra hours, also thereby assist stations. At least one outstanding American advertiser, I am informed, was anxious to do this last season for two hours weekly, and was quite prepared to pay the line and station time, but got nowhere in his effort.

The Commission, controlling all network broadcasting, would set up a rate structure somewhat similar to that of the American networks. In

view of going very far to eliminate local evening station sustaining program costs, privately owned stations could reasonably be expected to grant concessions. It is believed that sufficient business could be developed in this way to very materially improve station schedules across Canada and without anything resembling direct subsidization of such advertising through reduced wire charges as might be opposed by other interests but on a sound business basis.

Maintain Key Stations and Studios in Certain Cities.

Maintain key broadcasting stations and studios under the control of the Commission in Toronto, Montreal, Vancouver and Winnipeg, possibly also in Ottawa. The retention of the stations mentioned above would guarantee the distribution of the Commission's programs to a very large percentage of the listening audience of Canada, both French and English. It would also maintain the Commission in an advantageous position in so far as international exchanges are concerned, i.e. for acquiring the distributing important events as well as sustaining and even other programs. By doing this it could save money, secure much publicity for Canada, and furnish a variety of entertainment combined with greater economy of operation. It requires its own studios at the first three points in any event so that the cost of transmitter operation is secondary.

Broaden Commercial Policy on Key Stations.

Operate on a proper commercial basis those stations retained by the Commission under its own control, especially in Toronto, Montreal and Vancouver, Commercial business of local origin has been almost completely swept from all its stations by the present Commission. A recent careful survey of CRCT schedules in Toronto showed only one and one-quarter hours weekly of local commercial programs as against twelve and three-quarters hours from New York. A comparison at that time of CRCT with CFRB (Now the outstanding station in Toronto but prior to the acquisition of CRCT by the Commission in second place) indicated that the volume of local paid commercial business on CFRB was more than forty times that on CRCT. This is an extraordinary situation with many unfavourable repercussions from the standpoint of local talent, listeners and advertisers. It should be possible to add at least \$300,000 to the Commission's revenue from the sale of time on its stations through the extension of its commercial activities, and this figure might easily read \$500,000.

Such action would encourage local talent and provide more money for better programs. Moreover, it would enliven and buck up the whole Commission activities which are in a state of apathy from the lack of such competitive effort. It would mean studios would have to be kept up to the minute with equipment and staffed on a business basis. Thousands of dollars are being passed up weekly through the present policy and the whole structure suffering from dry rot.

Zone Country for Operating.

Stations and areas for convenience would be grouped as follows:

- (a) Maritime—All stations east of Quebec.
- (b) French—Hull to Moncton.
- (c) Eastern—Ontario.
- (d) Central—Winnipeg to Calgary or Edmonton.
- (e) Pacific—British Columbia.

Within these areas expenditures should be budgeted and regional supervisors should be established under the direction of Head Office. These would be responsible for regional and network programs originating in the several areas and for station cooperation in those areas.

French Network and Free Interchange of French and English Programs.

It will be noticed that a special French network is provided for. This does not mean the restriction of French programs to that network. A constant and free interchange of French programs would be sent to all parts of the country and such productions from other sections of Canada as were suitable would be routed over the French network. Montreal being the great centre for French talent and culture would be encouraged to exert its best efforts not only for distribution to the rest of Canada but also for international broadcasts.

I am omitting the next paragraph from this brief.

By Mr. Martin:

Q. Why?—A. I want to cut it down.

By Mr. Campbell:

Q. Do you want it to go on the record without reading it?—A. I will read it if you like.

By the Chairman:

Q. Do you want that paragraph to go on the record?—A. No; leave it out.

Programs—

As already indicated, the first consideration of any revised broadcasting authority should be to effect the greatest improvement possible in program standards throughout the entire country, and especially in major Canadian productions within the limits of expenditures available. Short of this there is little or no justification, in my opinion, for a Radio Commission or similar body, for most other efforts of the present Commission in wave regulation and allied matters were carried out far more efficiently and with less friction before the present Act came into force.

By Mr. Massey:

Q. That is a personal opinion?—A. Yes.

By the Chairman:

Q. Did you gather that impression through your experience with the Radio Commission?—A. Yes, and before.

It should never be forgotten that programs depend primarily on their entertainment value and that programs to which people will not listen might as well never be broadcast. Nevertheless, an earnest attempt should be made to broaden the scope of programs of an educational and cultural nature. These can be presented in a highly entertaining way if gone about properly. The presentation of so many dull programs of this class is mainly on account of lack of proper planning and attention.

I am not referring to the Radio Commission there, but I am thinking of programs generally of an educational nature.

There are great opportunities in this field as yet unexplored. There is a vast field for both adult and child education of the informative and imaginative nature hardly scratched here. This would necessitate careful cooperation with many organizations but it would be well worth while and it need interfere in no way with the field of provincial rights.

Canadian history, resources and achievements in many fields could be drawn upon and an exchange of thought and experience on numerous practical problems of the day set up with great benefit. In all parts of this country there are people blazing trails of usefulness, new avenues of exploration and development, whose experiences are invaluable and whose

[Mr. E. A. Weir.]

efforts should be better known for the common good. In these days when Canada has become an international force a public better informed on international affairs and relationships, economically, socially and even politically is important. Radio should be able to play a useful part in this. There has been a great tendency to imitate American programs of the lighter type. It is obviously very difficult with limited moneys and equally limited talent resources to equal these major productions on which lavish expenditures are made. There should be a genuine effort to stimulate pride in Canadian talent.

There should also be more systematic encouragement given to home talent. With no stage save the moving picture and so many concert opportunities replaced by radio, the urge for expression of many budding geniuses in this country is finding no outlet.

Not laying that to the Radio Commission, or anything like that; it is a general situation.

These are the people on whom we depend for advancement in the arts and it should be the express purpose of such a body as the Radio Commission to work out some modest but expanding plan looking to that end. One of the most persistent criticisms levelled against the present commission is that program production and talent has in a large measure fallen into cliques. It is a certainty that much of the very finest talent in this country is seldom or never heard. These things are not easy to do but they can be done by conscientious and sustained effort.

But programs, censorship, public relations and in a measure even political broadcasting, the success or failure of all these things and many others associated with nationalized radio depend primarily upon the measure of public confidence enjoyed by the governing authority. Common sense, intelligence, sensitivity to public reaction and yet courage to do the right thing at the right time are essentials. Given this and a period of adjustment we may still reasonably expect to see radio in Canada serving nobler aims and accomplishing far greater good than it has yet known.

By Mr. Campbell:

Q. You are still connected with the radio industry in some way, Mr. Weir?—

A. Yes.

Q. In what capacity?—A. I am connected with programs in Toronto which are largely transcribed.

Q. I beg your pardon?—A. I am in program work in Toronto.

Q. For stations?—A. No, on my own; and at the present time I am associated with some other people and largely in the transcription business.

Q. Your entire interests are in radio?—A. My entire interests are in radio at the present time.

By Mr. Dupuis:

Q. Early in December, 1933, did not you attend a meeting held in the Mount Royal Hotel between the representatives of the wire companies and the Radio Commission?—A. It was merely a preliminary conference between the wire companies and the Radio Commission to discuss the general proposition of wire service.

Q. Were there any minutes kept of that meeting?—A. There may have been, but I doubt if there was any record kept; I am not certain; there may have been a simple memorandum.

Q. You were not acting as secretary of the company?—A. I was acting director of programs and was borrowed at that time by the Radio Commission from the Canadian National Railways because of my experience with Canadian networks, in order to carry on preliminary negotiations.

Q. To your knowledge was there any correspondence exchanged between the telegraph companies and the Commission?—A. Yes, mostly subsequent to that date, in December and January.

Q. After the contract was awarded?—A. Oh, no. I do not know just when the contract was awarded, but it was not until away later on.

By the Chairman:

Q. Not while you were with the Commission?—A. Not while I had anything to do with those negotiations.

Mr. RYAN: I am very much impressed with the witness's paragraph in his brief with reference to the development of local talent. I think that is an excellent suggestion and worthy of serious consideration.

The CHAIRMAN: If we are through with Mr. Weir I may say that to-morrow we are to hear from Mr. Howard representing the C.N.R. and C.P.R. telegraph companies.

M. DUPUIS: To what part of the order of reference do you refer?

The CHAIRMAN: Everything concerning radio broadcasting in Canada.

Mr. DUPUIS: Not one item in particular?

The CHAIRMAN: No.

Mr. DUPUIS: Does the committee intend to do something about the administration of the Radio Commission?

The CHAIRMAN: After we are through hearing everybody concerned who wishes to be heard outside of the administration of the Radio Commission we shall have the Commissioners here.

Mr. DUPUIS: I would like to know if the committee is going into the matter of the minutes of the Commission, the bookkeeping, and so on?

The CHAIRMAN: We have that power. It will largely depend on the wish of the committee.

Mr. DUPUIS: Thank you.

The CHAIRMAN: We are trying to hear, between now and Thursday next, everybody who will appear before this committee except the Radio Commissioners and the officials.

Mr. CAMPBELL: We will hear the Radio Commissioners and officials after Thursday?

The CHAIRMAN: Yes. To-morrow we will hear Mr. Howard of the telegraph lines.

Mr. CAMPBELL: May I mention that no doubt Mr. Howard will have a large brief, and Mr. Sedgwick and his associates are anxious to have a full day.

The CHAIRMAN: The Canadian Association of Broadcasters, the Canadian Association of Advertising Agencies and the Association of Canadian Advertisers have all agreed that Mr. Passmore, manager of the McLaren Advertising Company of Toronto will present a brief for the three organizations.

Mr. CAMPBELL: And they wish a whole day. I think their brief will take a full day, and I think we should pass them over to Thursday if we are to hear the others to-morrow.

The CHAIRMAN: Mr. Campbell, they will be here to-morrow. We shall hear Mr. Howard first, and then Mr. Passmore, Manager of the McLaren Advertising Company representing those three organizations.

Mr. MARTIN: I would like to ask Mr. Weir one question before we adjourn.

The CHAIRMAN: Very well.

[Mr. E. A. Weir.]

By Mr. Martin:

Q. You talked of a survey of all wire lines?—A. Yes.

Q. What had you in mind?—A. Well, I had in mind this: There is a great duplication of facilities stretched across this country and a duplication of terminals.

Q. With the end in view that the Radio Commission should save money?—

A. With the end in view that the Radio Commission should save money and in that way ultimately a proper base rate can be established. That can only be accomplished by a complete survey by experts.

Q. Did you suggest that to the Commission?—A. No; that is a suggestion I am now making to the committee.

Witness retired.

The CHAIRMAN: We shall adjourn now until 10.30 o'clock to-morrow morning.

Whereupon the committee adjourned at 5.45 o'clock p.m. until 10.30 o'clock a.m. on Wednesday, May 13, 1936.

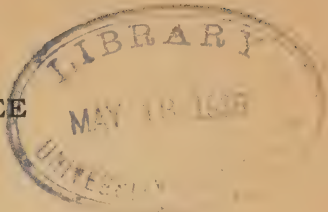
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SESSION 1936
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE



CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

WEDNESDAY, MAY 13, 1936

WITNESSES:

- Mr. David L. Howard, representing The Wire Line Companies (Telegraph), Montreal.
- Mr. C. M. Pasmore, MacLaren Advertising Company, Limited, Toronto.
- Mr. Glen Bannerman, Association of Canadian Advertisers, Toronto.
- Mr. J. A. MacLaren, Canadian Association of Advertising Agencies, Toronto.

OTTAWA
J. O. PATENAUDE, I.S.O..
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1936

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS,

ROOM 375,

WEDNESDAY, May 13, 1936.

MORNING SITTING

The Special Committee on the Canadian Radio Commission met at 10.30 o'clock a.m. this day, Mr. Beaubien, the chairman, presiding.

The following members of the committee were present:—

Messieurs: Beaubien, Bertrand (Laurier), Bouchard, Campbell, Cochrane, Dupuis, Edwards, Hanson, Howard, Howe, Johnston (Bow River), MacKenzie (Neepawa), McIntosh, Martin, Massey, Ryan and Woodsworth—(17).

In attendance as witnesses:

Mr. David L. Howard, Montreal, representing the Wire Line Companies (Telegraph).

Mr. C. M. Pasmore, MacLaren Advertising Company, Limited, Toronto.

Mr. Glen Bannerman, Association of Canadian Advertisers, Toronto.

Mr. J. A. MacLaren, Canadian Association of Advertising Agencies, Toronto.

Mr. Harry Sedgwick, Canadian Association of Broadcasters, Toronto.

Present, subject to call if required:

The Chairman, Commissioners and officials of the Canadian Radio Commission, Ottawa.

Director and Superintendent of Radio Service, Department of Marine, Ottawa.

The Canadian Radio Commission filed with the committee memoranda in rebuttal to the brief presented by Mr. S. P. Dunlop, president, Montreal Federation of Musicians on May 5, as follows:—

Statement by the Chairman of the Radio Commission.

Statement by Lieut.-Col. W. A. Steel, Commissioner.

Statement by Mr. J. A. Dupont, and a statement by Mr. E. L. Bushnell.

Ordered: Printed as an appendix to this day's record, as Appendix No. 5.

Mr. David L. Howard called:

The witness submitted a brief, which he read and explained, and will be found included in to-day's evidence. The witness was questioned at considerable length by the committee generally, the examination being quite prolonged. The witness retired.

Mr. C. M. Pasmore called:

The witness submitted a proposed plan for Canadian broadcasting, a copy of which was distributed to the committee, this plan being agreed upon by the other organizations of broadcasting and advertising, as above named as witnesses. The witness continued until one o'clock. The witness retired temporarily.

Mr. P. A. McFarlane requested the privilege of clearing up a point concerning wire mileages, with respect to telephone wire distribution.

The committee agreed to resume again at 3.30 o'clock to continue with Mr. Pasmore and the other witnesses.

The committee adjourned.

AFTERNOON SITTING

The committee resumed at 3.30 o'clock, the chairman presiding.

The following members of the committee were present:—

Messieurs: Beaubien, Bouchard, Campbell, Cochrane, Dupuis, Edwards, Hanson, Howard, MacKenzie (Neepawa), McIntosh, Martin, Massey and Ryan.—(13).

In attendance as witnesses:

Mr. Pasmore, Mr. Bannerman, Mr. MacLaren and Mr. Sedgwick, witnesses attendant at the morning sitting.

Present: The Radio Commission heads and other officials, Ottawa, the chief officers of the Radio Service, Department of Marine, Ottawa, previous witnesses and other interested persons concerned with radio broadcasting.

Commander Edwards submitted copy of report of the International Convention of 1932, at Madrid, Spain, in connection with Telecommunication (translation of the official French text).

Mr. Pasmore recalled and resumed the explanation of the plan submitted, and answered questions by the committee.

The witness retired.

Mr. Glen Bannerman called:

The witness submitted a lengthy brief which he read into the record, setting out in great detail the views of his organization. Questions were answered as he proceeded.

The witness retired.

Mr. J. A. MacLaren called:

The witness submitted a brief of not very great length, which was read into the record of this day's evidence.

The witness retired.

Mr. Dupuis requested certain information from the Radio Commission, which the Commission agreed to supply, in so far as it could from their own files, and such as might be supplied through Mr. Shaver, of their accounting department, and representing the Comptroller of the Treasury, at the Department of Finance.

After discussion, the committee decided to meet again to-morrow, Thursday, at 10.30 o'clock a.m., same room.

The committee adjourned.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

THURSDAY, May 13, 1936.

The Special Committee appointed to inquire into the administration of the Radio Broadcasting Act of 1932 and amendments met at 10.30 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will kindly come to order we shall commence our proceedings. Mr. Landry, the secretary of the Radio Commission, has handed me briefs prepared by Mr. Charlesworth, Colonel Steel, Mr. Dupont and Mr. Bushnell in answer to the charges made by S. P. Dunlop, president of the Canadian Federation of Musicians, Montreal. It is requested, if it meets with the approval of the committee, that this memorandum be included in the minutes of the proceedings. What is the wish of the committee?

Mr. HANSON: I think they either should be put in the proceedings or the members should have a copy.

The CHAIRMAN: In view of the fact the musicians had the right to put their brief in the minutes of the proceedings, I think the same courtesy should be accorded the commission.

Mr. WOODSWORTH: These are not to be read?

Mr. HANSON: I move they be included in the minutes.

Mr. WOODSWORTH: I do not like that idea. Is it not sufficient if copies are supplied to the members? Would it not really burden the minutes? It is not really a part of our proceedings here.

Mr. McINTOSH: If the information is required to bring in a report, the more information you have before the committee the better.

Mr. WOODSWORTH: It is a question whether it is necessary to put it in the printed record or not.

Mr. McINTOSH: The difficulty is if it is not put in the record the chances are some member of the committee may not read it. The more you pigeon-hole information of this kind, the less contact members of the committee will have with it.

The CHAIRMAN: It is quite voluminous.

Mr. McINTOSH: They bought a lot of new machinery down there. There should not be any difficulty in printing it.

The CHAIRMAN: What is the wish of the committee?

Mr. McINTOSH: I will second Mr. Hanson's motion.

Motion adopted.

The CHAIRMAN: We have Mr. Howard here. I think it was agreed yesterday that we should hear Mr. Howard of the wire line companies.

DAVID L. HOWARD, called.

The CHAIRMAN: Proceed, Mr. Howard.

By Mr. Martin:

Q. What is your position?—A. Assistant to the general manager, Canadian Pacific Communications.

By Mr. McIntosh:

Q. Where are you located?—A. Montreal.

Mr. MARTIN: Proceed, please.

WITNESS:

MEMORANDUM SUBMITTED BY THE CANADIAN NATIONAL
AND CANADIAN PACIFIC COMMUNICATION SYSTEMS TO
THE SPECIAL COMMITTEE OF THE HOUSE OF COMMONS
ON RADIO.

Honourable Mr. Chairman and Gentlemen of the Committee:

This presentation on behalf of the Communications Systems of the Canadian National and Canadian Pacific Railway Companies is submitted with a view to informing you of their participation in the development of broadcasting throughout Canada, and the service they perform in furnishing the transmission facilities for linking together the radio stations throughout the country.

By reason of the major part played by the two railway companies in the inception of national broadcasting in Canada, and the leadership they have displayed in its later development, we submit for your consideration their participation in radio broadcasting as a national enterprise.

The Railway Companies took the initiative in pioneering the development of the network broadcasting in Canada, the first of which occurred on Christmas Day, 1923. On the occasion of the Diamond Jubilee of Confederation on July 1, 1927, the Railway Companies and the other communication organization in Canada co-ordinated their facilities and inaugurated the first trans-Canada broadcast.

By Mr. Campbell:

Q. You say that the railway companies took the initiative in pioneering the development of network broadcasting in Canada, the first of which occurred on Christmas Day, 1923. Yesterday a brief was presented before the committee with regard to the telephone facilities, in which it was stated:—

The first network program was put on in December, 1923, when telephone facilities were provided and engineered to link up Ottawa and Montreal for the purpose of an anniversary program put on by the Canadian National Railway. This inaugurated chain broadcasting in Canada?—A. The Canadian National Railway broadcast sponsored the program.

Q. I took it from your statement here that you were taking all the credit, and I was wondering whether the telephone facilities deserved some credit?—

A. Telephone facilities were used to tie in two stations.

By Mr. Martin:

Q. You represent the Canadian Pacific Telegraphs?—A. And the Canadian National.

Q. The Canadian Pacific came in only in 1930, according to Mr. Ralston's brief at page 5:—

The Canadian Pacific Telegraph did not come into the picture until 1930, and it was equipped with necessary apparatus installed under the direction of telephone system engineers?

A. The Canadian Pacific took a very important and extensive part in broadcasting in 1927; as that program was engineered to a great extent by the telephone companies I am in a position to confirm that fact.

[Mr. David L. Howard.]

By Mr. Campbell:

Q. They refer to both railway telephone and telegraph companies?—A. Yes.

By Mr. McIntosh:

Q. In any event, according to the second paragraph of your submission this morning your argument before the committee will be largely in connection with the consideration of participation in radio broadcasting as a national enterprise? Your idea is not for the two telegraph companies to do the whole work of broadcasting themselves, but you are willing to co-operate with the telephone companies?—A. I believe that will come out further on in the brief. At the present time we are presenting a brief covering our participation in broadcasting in the past and our reasons for continuing.

The CHAIRMAN: Would it not be better to allow Mr. Howard to read his brief before he is questioned?

Mr. McINTOSH: He will be allowed to read his brief. There may be an odd question put to him as he proceeds.

WITNESS:

For three years prior to the establishment of the Canadian Radio Broadcasting Commission programs originated and sponsored by the two Railway Companies as well as commercially sponsored programs were carried across Canada on the Railway Companies' transmission networks. These networks were immediately available, therefore, for the transmission of the Radio Commission's programs. Moreover, they were, and still are the only trans-Canada networks for either Commission or commercial networks.

Upon the formation of the Canadian Radio Broadcasting Commission, the two Railway Companies realized that comprehensive transmission facilities would be required to connect all broadcasting stations in Canada. They immediately co-ordinated their transmission facilities and placed them at the disposal of the Commission. This action on the part of the Railway Companies offered an assurance of the utmost security and efficiency in service by reason of the extensive facilities available over diverse routes.

Negotiations for a contract between the Commission and the Railway Companies disclosed the fact that the funds available to the Commission were definitely limited. It was evident that, in the public interest, the necessary trans-Canada transmission network should be provided at rates within the financial resources of the Commission. The Railway Companies regarded the matter as a national enterprise and entered into a contract for wire transmission services at rates that were substantially lower than those prevailing in the United States for equivalent services. To meet the growing requirements of the Commission for coverage and extended hours of service, a new contract was executed in 1935, the terms of which were governed by the same considerations which entered into the original contract.

The agreement between the Radio Commission and the Railway Companies requires the latter to provide and operate for a period of six hours a day one complete network connecting broadcasting stations in thirty-nine cities and towns across Canada, and an additional separate network between Hull, Que., and Edmundston, N.B.

This constitutes the basic network for which the Radio Commission pays to the Railway Companies the sum of \$375,000 per annum.

By Mr. Campbell:

Q. We have had some discussion about this amount. This is quite authoritative?—A. This is basic, yes.

Q. Everything that has been put before the committee so far has been on hearsay?—A. I am quite prepared to quote the figures as basic, and also prepared to quote the actual figure.

Part of this sum is paid to other companies for facilities leased by the Railway Companies to complete the basic network.

By the Chairman:

Q. That would be the telephone companies?—A. The telephone and other companies. I presume, to qualify that, that it would include the T. & N.O. Railway of the province of Ontario. We lease wires from them extensively.

By Mr. McIntosh:

Q. Who distributes the \$375,000?—A. It is paid to the railway companies.

Q. Who makes the distribution?—A. To the other companies?

Q. To the telephone companies who take part in the broadcasting?—A. We pay it, the railway companies.

Q. The two railway companies?—A. Yes, the two railway companies in broadcasting are co-ordinated.

By Mr. Hanson:

Q. The two railway companies are on a fifty-fifty basis? They get one-half each?—A. Yes, one-half each.

By Mr. Campbell:

Q. Divided absolutely fifty-fifty?—A. Absolutely fifty-fifty.

By Mr. Martin:

Q. Do you agree that the amount given to the telephone companies is about 10 per cent?—A. No, sir; positively not.

By the Chairman:

Q. Have you that in your brief?—A. No, but I anticipated the question and have prepared some figures.

By Mr. Martin:

Q. How much is it?—A. The figures I have prepared are possibly on a basis different from the basis of the figures submitted yesterday. I prepared a statement of the telephone participation in broadcasting on the sustaining and on the commercial network. That is, the revenues that come under the so-called pool arrangement and the sustaining programs, and the revenues to the telephone companies for network broadcasting and commercial programs amounted to \$112,000.

By Mr. Campbell:

Q. That was out of a total of what?—A. Out of a total of \$526,000.

Q. About 20 per cent?—A. Yes.

By Mr. Martin:

Q. In what year?—A. In the year 1935. Those were the sustaining programs and the commercial programs handled during the year.

Q. You say you got \$375,000 from the Commission. How did you get the figure \$500,000?—A. The total commercial sponsored programs in addition amounted to \$149,000.

By Mr. Campbell:

Q. The Commission had nothing to do with those?—A. The Commission have quite considerable to do with those.

[Mr. David L. Howard.]

Q. I know they regulate the networks, but that is not in their business. This \$375,000 is what they paid themselves?—A. Yes.

Q. Have you broken that down at all?—A. The \$375,000?

Q. Yes?—A. We paid for network alone \$48,433.

Q. To the telephone companies?—A. Yes.

By the Chairman:

Q. To the telephone companies alone or the T. & N.O. included?—A. That would be the T. & N.O. included.

By Mr. Campbell:

Q. That is in line with what they said yesterday. They said \$37,500, and added to that perhaps \$11,000 which you paid to the T. & N.O. Railway Company?—A. I am afraid the figures are going to be confusing because the \$37,500 does not represent all the revenues of the telephone companies by any means.

Q. You have taken in other revenue there which I would say was outside of the Commission service?—A. Do I understand that in the brief yesterday the \$37,500 you referred to was part of the \$375,000?

Q. Yes. Here it is at page 37. Their portion on the pool they have set up at \$30,000?—A. It is \$63,000, as it happens.

Q. \$63,000?—A. That was the revenue for 1935.

Q. But the other \$37,500 was 10 per cent?—A. That was just an estimated amount.

Q. But it compares favourably with what you have given us just now?—A. You see in 1935 the new contract was entered into in July, and this \$48,000 that appears here is the total amount that was paid for 1935.

By Mr. Martin:

Q. What \$48,000?—A. The \$48,000 paid out by the telegraph companies to other companies for handling Commission programs came out of the \$375,000 that the railway companies got. As to that \$48,000 in the year 1935, six months or more of it was under the old contract of \$275,000, which is not quite as extensive as the new contract for the balance of the six months, so that the estimated amount paid to other companies in 1936 is in the region of \$63,000. In other words, the 1935 figures are part of the old limited contract and part of the new contract, so out of the \$375,000 you should take the percentage on the \$63,000 rather than on the \$48,000.

By the Chairman:

Q. As I understand it, in 1936 the telephone companies will get \$63,000 out of \$526,000?—A. No, out of \$375,000.

Mr. CAMPBELL: That is only about 17 per cent.

By Mr. McIntosh:

Q. That is under the new contract?—A. Yes.

Q. And under the old contract it is the other figure?—A. No. The old contract ran to July 17, and from July 17 the new contract ran. I would say that under the old contract it would be somewhere in the neighbourhood of \$37,000 to \$40,000.

Q. That is the figure we had yesterday?—A. The \$40,000 should be a percentage of the \$275,000 not the \$375,000 because the old contract was for \$275,000.

By Mr. Campbell:

Q. You are not far out. In the brief submitted to us yesterday they say they received 14 per cent?—A. Is it not 10 per cent?

Q. No, 14 per cent in the whole set-up, and then there is the T. & N.O. Railway extra, and on your figures you say that only allows 17 per cent to outside companies?—A. I thought the \$37,500 was on a basis of 10 per cent?

Q. Yes, but they have calculated the pool charges. The pool charges do not come into this, so that the 17 per cent I am quoting you now is against the 10 per cent quoted there.

Q. Then you have the T. & N.O. Railway and other facilities?—A. The T. & N.O. Railway operate telephone lines in that area.

Q. They are not in the Trans-Canada telephone system?—A. No.

Q. You are paying them separately?—A. Yes; we do not pay the Trans-Canada but pay each component company, the Maritimes, B.C., etc.; we do not pay trans-Canada.

Q. I took it from the brief submitted yesterday that they represented all of them?—A. We lease lines from the companies at the prevailing standard rate and pay them for it.

By the Chairman:

Q. To clear that point, as to which I think there is some confusion: Under the pool arrangement the telephone companies get forty-sixty?—A. Yes.

Q. And under the contract arrangement according to your figures they would get about 17 per cent?—A. Yes, about 17 per cent.

MR. HANSON: That is clear now.

WITNESS: Then:—

For the purpose of accounting and as a basis for establishing the rate to be applied for excess transmission time, the shortest railway mileage connecting these thirty-nine stations by one continuous line is used. This shortest railway mileage is 6,428 miles, and is referred to in the annual report of the Radio Commission for 1935. Actually the transmission mileage in regular operation is 8,889 circuit miles. In performing this service it is necessary for the Railway Companies to set up parallel telegraph circuits for the testing, operation and control of the network.

A broadcast circuit transmits in one direction only, therefore with programs originating at widely separated points, it is necessary to reverse the network wholly or in part. The Commission, in the desire, no doubt, to broadcast programs representative of Canada as a whole originates programs at many points between Halifax and Vancouver. The standard practice in the United States and Canada is to charge an extra amount for each such reversal. Insofar as the Radio Commission programs are concerned, the railway companies agreed to waive reversal charges in order to enable the Commission to originate programs in all parts of Canada. During the year 1935, the total reversals numbered 6,072, an average of seventeen per day.

By Mr. Campbell:

Q. Do you know what the charge is in the United States?—A. It works out at two and a half cents a mile, with a minimum of twenty-five. I have that figure here if you want it.

Q. Yes, you might put it in the evidence?—A. Two and a half cents per mile for occasional reversal. If there are fifteen or more per week, arrangement will be pro rata. Flat rate \$25 each time.

Q. And you are charging nothing?—A. We are charging nothing.

Q. How do your other rates compare with the United States?—A. I have the information here and will be glad to put it in evidence.

Q. That will be satisfactory?—A. I have not got it in form to submit as a brief, but I have a memorandum of it.

[Mr. David L. Howard.]

By Mr. McIntosh:

Q. Do you take the United States as your guide in these matters?—A. No. We consider the conditions more or less parallel, and the United States are possibly farther advanced, particularly in reference to commercial development, than we are on this side. We have not the volume nor the amount, and consequently in collecting data we try to get it from a section nearly parallel to our own, and it is more accessible to get the information from the United States. Their set-up is on a different basis from ours. That is, their charge is on a rail line basis where ours is on an air line basis. We have certain differences which we have adopted and accepted here which are standard for all companies.

Q. I do not understand what you mean by "reversal" at the top of page 3 of your brief. You speak of the Commission originating programs at various points, and you follow the United States practice of charging so much for each reversal. What do you mean by that?—A. We say we are giving reversals free to the Commission.

Q. What do you mean by "reversal"?—A. A broadcast circuit is set up in one direction; it can only operate in one direction; it is a circuit that will transmit in one direction only. Now, if a program on one system is set up at Montreal for this fifteen minute period, and the next program on the schedule calls for a program to originate at Winnipeg, then necessarily the direction of the transmission between Montreal and Winnipeg must be reversed; so that there is a complete reversal of the network from Montreal to Winnipeg in that particular case. The same thing might apply to a program at Halifax and another program at Vancouver. The entire network is reversed.

By Mr. Ryan:

Q. Is there much involved in that?—A. Considerable, because in setting up a basic set-up to reverse the circuit—take in the circuit across Canada which would probably be easier to explain, there are 30 or 32, not under 30, repeater stations. A repeater is set up in the direction that the transmission goes. Each one of these stations has to take that repeater and turn it around, reverse the direction of the transmission. There are 30 operations at 30 different points.

By the Chairman:

Q. Is that a very extensive operation?—A. Well, it is extensive in as much as it requires a man to be on the job continually, because the programs must be continuous. You cannot have a program and then wait and call out a man and tell him to do that.

By Mr. McIntosh:

Q. You mean it must be received and transmitted?—A. Of course, that is repeated; received and transmitted.

By Mr. Ryan:

Q. You distinguish between the railways and the telephone companies. Do the telephone companies make reversals?—A. Just the same. There is no difference in the equipment that we use and the telephone companies use.

By Mr. Campbell:

Q. It is standard equipment?—A. Standard equipment.

By Mr. Martin:

Q. There is something that I should have asked before. You told us that approximately 17 per cent is paid to the telephone companies. Am I right in concluding that the 17 per cent represents payments only to New Brunswick and Prince Edward Island and not to the telephone systems of Saskatchewan, Alberta and Manitoba?—A. There are no pay-outs to those telephone systems, no pay-outs for actual network. There are some pay-outs for rental of loops and so forth, which is not a very large amount.

Q. It is not included in this figure here?—A. No.

Q. So it is paid entirely to British Columbia, New Brunswick and Prince Edward Island?—A. New Brunswick, Halifax, the Maritimes, and the T. & N.O.

By Mr. McIntosh:

Q. Would the Bell Telephone not be in that?—A. The Bell do not participate in the actual network. They do participate very extensively in broadcasting.

By Mr. Martin:

Q. You are confusing it. I am talking now of the 17 per cent?—A. Yes.

Q. I am just speaking of that. None of that goes to the three western provinces that I named?—A. No.

Q. It goes to New Brunswick and Prince Edward Island?—A. The Maritimes.

Q. To New Brunswick and Prince Edward Island?—A. Well, it goes to Halifax and Sydney, and it goes from Vancouver to Trail in British Columbia, and it goes from North Bay to Kirkland Lake and Timmins.

Q. But not to the western provinces?—A. Not to the three western provinces.

By the Chairman:

Q. In order to clear that matter up, I would like to ask a question. In the brief yesterday Colonel Ralston named the companies in the Trans-Canada Telephone System. They are here in his brief. Can you tell us what companies received that 17 per cent of that \$526,000 that the railway companies received? Could you tell us that?—A. Yes. The Maritime Telegraph and Telephone Company; the New Brunswick Telephone Company, and the B. C. Telephone Company.

Q. That is all?—A. That is all of the Trans-Canada System.

By Mr. McIntosh:

Q. I understood yesterday that the telephone companies of Canada were correlated into one organization with a board to do the business for them all. Why would you not work through the board?—A. For the simple reason, as I think was explained yesterday, that the board is not a complete business organization. I think it came out in the evidence yesterday that the Trans-Canada submitted a brief or submitted a quotation, and within two or three months quite a large part of them submitted a separate quotation. It does not say that this Trans-Canada System is a company organization the same as the Trans-Canada Company or any other company.

By Mr. Campbell:

Q. It is a mutual organization?—A. Yes. One is independent of the other.

By Mr. Martin:

Q. Each runs its own show?—A. Yes. They are related or get together for service purposes, as I take it. I am not in a position really to give that.

[Mr. David L. Howard.]

Mr. McINTOSH: That is the point I am driving at. If they are related or organized for services, of course that would bear on the question of time.

Mr. CAMPBELL: Go ahead, Mr. Howard.

Mr. RYAN: Of course, they are related as far as their presentation here is concerned.

Mr. CAMPBELL: Oh, yes.

WITNESS: Well, they are separate presentations.

Mr. MARTIN: The same conclusions, I think.

WITNESS: Well, I am not prepared to say.

Mr. McINTOSH: They have presented a brief before this committee as a whole. They were not all represented. There was not a brief for one and a brief for another. We got a brief yesterday from the telephone system of Canada.

Mr. CAMPBELL: Well, Mr. Howard has nothing to do with that.

WITNESS: The standard practice in the United States and Canada is to charge—I think I read that.

Mr. CAMPBELL: You were down to "This practice of switching."

WITNESS: Oh, yes.

This practice of switching so frequently the points of origin of consecutive programs has rendered if necessary for the railway companies to set up additional circuits to the extent of 4,162 miles in order to maintain continuity of service. A comparison with United States practice indicates that no similar policy is followed and that reversals are the exception rather than the rule.

I suggest that I might offer an explanation, as it does not appear to be clear, about the 4,162 miles. It has a bearing upon Mr. Beaubien's question a moment ago about these reversals. The 4,162 miles is set up paralleling their basic circuit and connected with the basic circuit, so that the circuits go out and come back; consequently the continuity is able to be continued.

The total actual broadcast network, therefore, consists of 13,051 circuit miles (not including the telegraph monitor circuit). When it is considered that the circuit mileage of the largest broadcasting network in United States is only 24,000 circuit miles, the magnitude of the program transmission service rendered to the Commission is evident.

The contract stipulates the quality of transmission required by the Commission and includes penalties for failure on the part of the railway companies to provide the specified quality. This provision insures to the listening public of Canada transmission in keeping with the development of the art.

The railway companies have, since the establishment of the Radio Broadcasting Commission, provided transmission facilities under an exclusive contract with the Commission.

By Mr. Martin:

Q. What does that mean?—A. Well, the transmission facilities furnished to the Commission are on an exclusive basis with the Commission.

Q. Would any others in the railway companies have transmission facilities?—A. In the railway companies?

Q. No. Would any others other than the railway companies have transmission facilities?—A. Have transmission facilities?

Q. Yes.—A. Yes.

Hon. Mr. HOWE: That meant that the railway companies were doing business with the Commission and no one else.

WITNESS: Right.

Mr. MARTIN: That is not what it says.

Hon. Mr. HOWE: An exclusive contract.

WITNESS: Under exclusive contract.

Mr. MARTIN: I take that to mean that the Commission does business alone with you.

Hon. Mr. HOWE: No. It means that the railway does business with no one else but the Commission.

Mr. MARTIN: It is a matter of English, but I think I am right.

By Mr. McIntosh:

Q. The telegraph companies as a unit do business with the commission as a unit?—A. Yes.

Q. Is that what it means?—A. No. The meaning is that the transmission lines in the carrying of programs are under exclusive contract between the Commission and the railway companies.

The CHAIRMAN: Nobody has a right to come in except the railway companies.

Mr. McINTOSH: That is what I just said. I said the business is settled between the Commission and yourselves.

WITNESS: Right.

The complete co-ordination of the two railways' program transmission facilities enables the Commission to deal with one co-ordinated organization in all matters affecting transmission and distribution of programs. This arrangement is a particularly flexible one and decidedly advantageous to the Commission in that the ever-changing day-to-day requirements of the Commission, including last minute changes in schedules are promptly and efficiently met by simple routines. This would not be the case if the Commission had many companies to deal with and the difficult task of co-ordinating the various services devolved upon its own personnel.

By Mr. Martin:

Q. You say that the railway companies have this privilege, the two railway companies; and you say if two other units were added it would not be possible to carry it out?—A. I would not say not possible.

Q. What you say here is "simple routine." It would not be simple routine?—A. Right.

By Mr. Woodsworth:

Q. As I understand it, on occasion you have to call in the services of the telephone companies?—A. On occasion? No. Mr. Woodsworth; as I said before we use the telephone lines to reach some few stations. That is not isolated. That is regular. It is all regular, if it is our network, day after day.

By Mr. Campbell:

Q. Getting back to the 1933 contract, at that time you were splitting about 40 per cent to the telephone companies?—A. No.

Q. Never did?—A. No.

Q. It was just agreed upon and never carried out?—A. Never agreed upon; that is, on these as Commission programs, never. The 40 per cent pooling arrangement came in, in 1935, I think, or late in 1934.

Q. 1934?—A. And that only covered commercial programs. It had nothing whatever to do with the Commission sustaining programs.

[Mr. David L. Howard.]

By the Chairman:

Q. Does this new contract cover both the commercial and sustaining programs?—A. In so far as the telephone companies are concerned?

Q. In so far as all the programs of the Radio Commission are concerned.—

A. There are certain provisions which allow the Commission some leeway in connection with commercial programs, but does not put them definitely in the commercial field.

Q. When was that 40-60 pooling arrangement discontinued?—A. It has never been discontinued. It is still in existence. It is still operating. I think it was explained here yesterday that it is operating on a month to month basis.

By Mr. Campbell:

Q. But the Commission had taken certain programs away that had formerly been yours?—A. The Commission had taken certain programs? I think the Commission probably could answer that question better than I could. But I would say that the intent of permitting the commercial clause in the agreement was to enable the Commission to give certain stations—to take what might be termed national interest programs and embody them in their own set-up. When I say national interest, it may be such programs national in character, or in the case of hockey games where possibly 90 per cent of the people in Canada will turn out and listen to the hockey game that is going on. The other programs do not fit, and it has not always been possible to get station time unless the Commission releases their basic stations for it. It was an arrangement that might be termed a co-ordinating arrangement to enable the Commission to secure certain programs and embody them in their own set-up. It was never the intention that they should be a commercial organization.

By Mr. Dupuis:

Q. With your experience in radio broadcasting would you fix the approximate number of radio listeners to a hockey game at 90 per cent?—A. Well, I used the word. I would not say that. I would say that roughly there is a listening public; at least, I would say it is a very large percentage, on the hockey games that were referred to here yesterday. I do not know whether it is the experience of the members of the committee, but I know in my home I find the listening I do on the radio is pretty well regulated by the younger members of the family; and the youth of the country are pretty well hockey-conscious in that particular period. I think they pretty well regulate the programs in the house. It is not a figure that has any basis at all.

Q. I suppose you are a good psychologist?—A. Well, I do not know.

By Mr. Ryan:

Q. You said that the pool arrangement of 40 per cent in connection with the commercial programs is still in existence, carrying on from month to month?—A. Yes.

Q. Do the telephone companies still get 40 per cent of that?—A. Of the commercial?

Q. Yes.—A. Oh, yes.

Q. You know that, do you?—A. Absolutely.

By Mr. Martin:

Q. But the telephone companies would not want a pooling arrangement to a greater degree than exists now?—A. I judged from their submission yesterday they want to get the 40 per cent now to apply to sustaining programs. When I say 40 per cent I refer to 40 per cent of the available revenue of the transmission companies. That is to say, I think that was the figure quoted here

yesterday. I stand open to correction. I have not got the brief and I have not had an opportunity of looking it over or studying it. There is certain money that the Commission takes on the commercial programs to themselves. In other words, suppose it is \$150,000 in one year for commercial programs, and the proportion that the Commission takes of this is \$20,000; the balance, \$130,000, would be available for division between the railway companies and the telephone companies and would be divided 60-40 of the \$130,000, not of the \$20,000 that the Commission had taken.

Q. But you were here yesterday and heard the evidence. I think the telephone companies said that they brought in certain contracts to the pool, which included a hockey broadcast, which was the major portion of the pool, I think, at that time?—A. They did make that statement. They submitted yesterday a statement of \$20,000. If that was all the business of the telephone companies, I would say they are getting a pretty fair return, because they are certainly getting \$20,000.

By Mr. Campbell:

Q. That was not all the business. That was contracts that were taken away from them by the Commission.—A. By the Commission?

Q. Yes.—A. The Commission did not take the contracts; did not have anything to do with it.

By Mr. Martin:

Q. On page 29 of the brief we are told as follows:—

Besides taking the General Motor program, the Commission has appropriated from the pool a number of other programs which cannot be said to be isolated or non-recurring. The full list is as follows.

Then the list follows, which includes General Motors, British Columbia Department of Education and Imperial Tobacco. The total is \$24,509.43. For instance, General Motors in one there was \$15,896.—A. Which is the largest part of that amount. I am not in a position to say that the telephone companies ever carried that General Motors program across Canada.

By Mr. Campbell:

Q. As I understand it, a network is for two or more stations?—A. But the General Motors ran from Halifax to Vancouver for all of their hockey broadcasts. What I am saying is—although I may be mistaken—that I am not aware that they carried the program across Canada for General Motors.

Q. In other words, apparently they had business from what they say.—A. I am not prepared to say that or admit that.

MR. MARTIN: It does not matter whether they had business or not. These are not non-recurring programs, and the Commission apparently absorbed them, took them off. That is it.

WITNESS: The Commission did?

MR. MARTIN: Yes.

WITNESS: I did not get the point.

MR. MARTIN: That is the contention of the telephone companies.

WITNESS: I would not feel competent to answer that question.

By Mr. Campbell:

Q. As I took it from their brief yesterday, had these programs not been taken over by the Commission, you as representing the railway telegraph companies would have received 60 per cent of this revenue?—A. Right.

[Mr. David L. Howard.]

Q. And the telephone companies 40 per cent. They were speaking in your interest as well as their own?—A. I did not get the meaning of your question. You are right. Whatever money was taken out of the commercial pool by the Commission, took money away from both railway companies and telephone companies. There is not any question about that.

By Mr. McIntosh:

Q. What is your opinion of that kind of work?—A. As long as it is kept within reasonable bounds and it can be coordinated, and should be coordinated on regular sustaining programs, I do not see any particular objection.

Q. Do you believe you should confer in a matter of that kind?—A. Yes. I think it is a case of reasonable application rather than try to set a hard and fast rule; because there are definitely certain commercial programs that are of national interest. You cannot get away from that.

By the Chairman:

Q. Who would define the reasonable point?—A. Well, the Commission really are in a better position than anybody else.

By Hon. Mr. Howe:

Q. You do not think for a moment that the line companies should say that? The line companies transmit the program and somebody else originates it, and it goes out as the business of the line companies.—A. No. Previous to the advent of the Commission the line companies were actively originating programs as a means of selling their lines. But our business is primarily selling lines. That is our business, the business of the transmission companies.

By the Chairman:

Q. In other words you are not in the radio broadcasting business?—A. We are not in the radio broadcasting business insofar as transmission is concerned.

Hon. Mr. HOWE: This whole discussion seems a little flat from our duties in investigating broadcasting in Canada. What do we care whether the radio commission and the line companies make what they think is a pretty fair deal for transferring programs from coast to coast? After all, it is the taxpayers money they are spending. If they choose to give half to the taxpayer's railroad, I do not see any great objection to that. That is not what we are trying to find out in this investigation.

By Mr. Woodsworth:

Q. In regard to the last statement you made the matter of administration came up. Suppose for some reason a large portion should be given to the telephone companies or the sustaining programs should be given to the telephone companies, would there be certain real difficulties of administration involved?—A. Well I would say there would be. There would certainly not be the broadcasting set-up. I do not say it is impossible. I do not say that the difficulties are insurmountable. I say it is like everything else. Broadcasting is something that must be continuous. Broadcasting cannot stand for interruption. If you have an interruption on a station for 15 seconds it is like holding a telephone; it seems like five minutes. Invariably your listening public turns off. Continuity of service is paramount. I would say in the ordinary business sense that one organization can certainly handle the job better than many organizations.

Mr. MARTIN: The point I have in mind, Mr. Howe, is this: The three telephone companies owned by the people of three provinces have made a protest here. They are the people in one sense as well as the whole of Canada is in another, and they are not given the privileges which the railway companies are given.

Hon. Mr. HOWE: They have not the facilities.

Mr. MARTIN: They say they have.

WITNESS: I think possibly—

Mr. MARTIN: They say they have greater facilities.

WITNESS: Of course I very much say it is absolutely wrong.

By Mr. Campbell:

Q. In other words you are willing to compete with them?—A. Absolutely, we have.

Q. That is all they ask?—A. I am sorry; the statement was made that their facilities were superior. I do not know that we need to get into a technical discussion on it, but I would say positively they are not. I make that statement without any—

By Mr. McIntosh:

Q. When it comes down to national broadcasting in a great national enterprise like radio, don't you think if the two railway companies and the telephone companies could co-operate on a successful basis that it would work out better and be more popular with the people as a whole?—A. Well no, I don't think so, Mr. McIntosh.

Q. Well if you have one section dissatisfied and another section dissatisfied, I do not see how you are going to get the essential harmony in broadcasting that you should get?—A. You see, it is not a sectional matter with us. We are not sectional; we are trans-Canada. We are just as much interested in the prairie provinces as the local telephone systems. We are just as extensively interested in the development there; we must be.

Q. The telephone companies are in touch with a great area of population that you are not so closely in touch with?—A. The point is that this brings out the point I intended to answer. The reason that the prairie telephone systems were not included in a portion of the service rendered to the commission was on account of the unfortunate circumstances covering the stations that are supplying—the stations on the network in the prairie provinces are Winnipeg, Brandon, Regina, Calgary on the main line of the Canadian Pacific Railway and stations at Saskatoon and Edmonton on the main line of the Canadian National. Now, the programs that we gave to other companies were programs of the main line; if there was such a thing—

By Mr. Campbell:

Q. British Columbia and the Maritimes?—A. British Columbia and the Maritimes. If there was such a thing as a station, we will say, up in the Peace River country, it would seem to me the logical thing to offer the prairies that business.

Q. The Alberta telephone system?—A. Or the prairie telephone system, one organization, whatever you have. What I mean to say is it might be a very desirable thing to split your business.

By Mr. Dupuis:

Q. There is no radio station in the district of Peace River?—A. No.

[Mr. David L. Howard.]

By Mr. Johnston:

Q. Can you handle the Peace River without the aid of a telephone company?—A. I think we are better off than they are. As far as I know they have no direct connection with the Peace River. If they have, I do not know of it. Certainly we have a railway up there, and where we have a railway we have wires. We can certainly make a service available as we have done in other places where the telephone companies were not able to do it.

By the Chairman:

Q. I should like to ask one question. At page 3 of your brief you say:

The railway companies have, since the establishment of the Radio Broadcasting Commission, provided transmission facilities under an exclusive contract with the commission.

You had really a monopoly of the transmission over other wire systems?—A. For the commission?

Q. Yes?—A. Yes.

Q. You say there was a pool arrangement arrived at on a 60-40 basis. Was that just a general agreement?—A. Well, I could not say the basis, but ordinary business principles would dictate the matter in sizing up the revenues of the three major organizations, the Canadian Pacific Railway, the Canadian National Railway, and the telephone systems; and I think it was discovered that the business probably the year before actually split on that basis, or it may have been higher with the railways. I would think it would be higher because I do not think the total network organization of the telephone companies amounted to 40 per cent during the previous year. I only offer that as an opinion.

Q. You had an exclusive contract which gave you a monopoly of the wire lines with the radio commission?—A. Yes.

Q. And then you made, through the radio commission, and I suppose in conjunction with it, a pooling arrangement with the line companies?—A. Yes.

Q. You gave the telephone companies 40 per cent and the telegraph companies 60 per cent?—A. Yes.

Q. How was it arrived at when you had an exclusive contract with the radio commission?—A. That only refers to commercial programs.

Q. That refers only to commercial programs?—A. Yes; absolutely nothing to do with the commission at all. You see what happened was the commission have not only control of sustaining programs but regulations to deal with commercial programs. There were many difficulties in the early days of the commission in trying to get those commercial programs to come in line with the regulations, and as the information or approval had to come through the commission, it was in the interest of the commission that some kind of arrangement be made so that one source would handle all this and remove many of the difficulties existing. That was the reason for the pool. It was simply a case of getting together with the commission.

By Mr. Ryan:

Q. There seems to be a difference of opinion between the railway companies and the telephone companies as regards a commercial program.—A. A commercial program is a program sponsored and paid for by a company or by an organization.

By Mr. Campbell:

Q. An advertising agency?—A. An advertising agency. For instance, the General Motors, which was quoted here yesterday, is definitely a commercial

program because General Motors pay for the lines, for the programs, for the broadcasting stations that form part of the network, and other commercial programs are the same.

By Mr. Dupuis:

Q. If you want to broadcast a program over a Canadian network do you have to obtain permission from the Commission?—A. Absolutely.

Q. Commercial programs?—A. Yes.

Q. And they use the telephone lines or your lines?—A. The line facility is divided on the same basis as the commission; that is to say, 60-40. On that commercial program the revenue is divided 60-40 and the facilities are divided 60-40. The railway provides 60 per cent of the facilities for the commission and the telephone companies 40.

By Mr. Campbell:

Q. That arrangement works out satisfactorily?—A. Yes, it has.

By Mr. Ryan:

Q. Colonel Steel in his letter put a non-recurring program in the category of a commercial program. Do you think they are commercial programs?—A. If they are paid programs, yes. If a program is paid for it is a commercial program. A non-recurring program is a program—I think the one that was referred to yesterday was the London Life program which was merely a jubilee or anniversary program. That program does not occur again until the next anniversary comes along. Most programs like General Motors or Standard Brands and some of these others that are marked there are programs that are on the air half an hour one night per week or maybe two or three days a week at a regular time. They are offered to the extent of 21, 42, or 56 programs on the air, and they are called recurring programs.

Q. If this pool agreement is not being carried out as a general agreement, they are not getting their percentage of all the non-recurring programs to-day?—A. No.

By Mr. Martin:

Q. Are you joining with the telephone companies in the complaint?—A. No.

Q. Why?—A. Well the principle that we tried to embody in the contract is that when there are certain programs even of a recurring nature that are of a national interest and which may be very well embodied in the radio set-up—

By Mr. Campbell:

Q. You are selling lines and you are getting all lines higher, anyway?—A. No, we do not get anything additional for that; we lose a portion—

By Mr. Dupuis:

Q. Let us clear up that point. You have a lump sum in your 1935 contract which runs for five years?—A. Yes.

Q. And besides that, if the commission wants to broadcast a program through your wire facilities, the commission has to pay you an additional amount each time?—A. On commercial programs, yes; unless the program is embodied in their own network. That has been done to the extent of, I think, \$25,000.

By Mr. Campbell:

Q. These go over the regular six-hour service?—A. Yes. Let me possibly enlarge on that. The six-hour service entitles the commission to a certain network. That network is trans-Canada originally. It is divided regionally

[Mr. David L. Howard.]

on account of the difference in time. Now, if the commission decided that a certain commercial program should go to them, it must cover the entire region before any of the money can go to the commission. In other words they must re-lease the entire network in that region or the entire network trans-Canada. In other words the commission cannot take a commercial program, we will say, taking stations at Montreal, Ottawa and Toronto. Suppose you want to sign for that commercial program on the air. They cannot take that out of the pool and put it in their own revenues; they would have to take the network from Edmundston through to the western boundary of the pool section, which would be Fort William, or it might be Manitoba which divides the Maritimes sections, the central prairies and British Columbia.

By Mr. Dupuis:

Q. How do you arrive at the agreement? Is it a written agreement between the commission and the wire lines?—A. The regional division?

Q. Yes.—A. Yes.

The CHAIRMAN: All right, Mr. Howard; go on with your brief.

WITNESS: Under the terms of the contract it would be to the advantage of the two railway companies to extend their program transmission facilities to reach all stations on the network. Rather than incur additional expenditure and in so doing duplicate existing facilities, transmission services were leased by the railway companies from telephone or other companies in order to reach certain broadcasting stations located at points not served by the railway company's program network.

By Mr. Martin:

Q. To what contract are you referring? You say "Under the terms of the contract"?—A. Both the original and second one.

Q. You are speaking of contract in the abstract?—A. Yes, under the terms of the contract we are speaking of now, and the original.

By Mr. Johnston:

Q. You have referred to the point that you cannot get along without telephone companies?—A. Absolutely.

By Mr. Campbell:

Q. In the Maritimes and British Columbia?—A. Yes.

By Mr. McIntosh:

Q. You can get along without them out in the western part?—A. Yes. This policy has resulted in substantial participation by other communication companies in the transmission of commission programs in addition to the transmission service furnished under the contract, the railway companies have from time to time placed their facilities at the disposal of the commission without charge. Otherwise programs of national and empire importance might not have been made available to Canadian broadcasting stations due to the limited financial resources of the commission. In such cases the railways have received the co-operation of other communication systems.

By Mr. Martin:

Q. Without such co-operation those national broadcasts would not have been possible?—A. Not at all.

Q. What do you mean, "Not at all"?—A. What I mean is the railway companies are quite competent to serve all other stations.

Q. Irrespective of that co-operation?—A. Irrespective of the co-operation, if the necessity was there. We have not seen fit to do so, as explained in the previous paragraph. The development of high grade programs has been a gradual process in which it was necessary that communication companies keep the quality of their program transmission in advance of the requirements of the public, anticipating in so far as possible, radio broadcasting requirements. Quite apart from the necessity of meeting present needs, a considerable part of the service rendered under the contract consists of preparation for future requirements, and making reasonable investment to that end. The plant and equipment are, therefore, undergoing continuous addition and improvement with due regard to the ultimate objective—the reproduction of music and speech in the listener's home, wherever located, so nearly equivalent to the natural program that there would be no perceptible difference.

Trans-Canada network broadcasting has improved tremendously since its inception in 1927. It will be appreciated that such improvements in the short intervening period have necessitated progressive expenditures on the part of the railway companies to bring their plant and equipment to the present high state of efficiency. The service performed by the railway companies has at all times been of the same high order as that rendered to the United States broadcasting network. It is still in advance of the needs of the Canadian public inasmuch as the use of higher fidelity transmitters and receiving sets is very limited.

By Mr. Dupuis:

Q. What do you mean by that, "Higher fidelity transmitters"?—A. What I mean to say is that the fidelity transmission on the transmission lines is equal to the receiving or transmitting ability of the station.

Q. What is "fidelity," and is there not good fidelity on the telephone companies' lines?—A. When we speak of fidelity we mean the ability to transmit programs at a range which is marked off, which in broadcasting parlance is referred to as cycles. We refer to fidelity; for instance, the fidelity—

Q. If I say "yes" here, they will hear "yes" in Vancouver?—A. We transmit fidelity flat from 100 to 5,000, and when we say higher fidelity than the standard we would be referring to 6,000 cycles, 8,000 cycles, 10,000 cycles, or lower.

Q. You mean you maintain the actual amount of cycles—A. It is the range of the carrying—let me see if I can make it simple—

The CHAIRMAN: I do not think we had better get into a technical discussion.

WITNESS: It is the ability to carry the range of sound that reaches that high frequency. We might say the capacity of the human ear might be 14 to 20 thousand cycles, and that is the very highest the human ear is capable of receiving. We say that the actual capacity of receiving, in this particular case, the demands of the ear and the receiving demands, run to 5,000 in the ordinary every-day run, and possibly a little higher. Now as it gets higher or as the demand gets higher, you probably will have to increase; as I mentioned previously in my brief there are penalties in the contract fixing the amount of demand when they do increase. What I am trying to say in this brief is that the transmission of the railway companies is higher or as high as the ability of the station or the receiving set to receive.

Q. That does not mean transmitting music or speeches?—A. No, not in that direction.

The CHAIRMAN: Proceed.

[Mr. David L. Howard.]

WITNESS:

At the present time there is no demand from the public, either in the United States or Canada, for higher quality of transmission, notwithstanding that four test stations broadcasting 10,000 cycles have been in operation in the United States for some time. In the opinion of those in constant touch, and closely associated with the development of the art, the interest presently displayed in the broadcasting of so-called "wide range" (or "high fidelity") programs is either academic or by commercial interests who expect to profit by premature introduction of high fidelity equipment. It is recognized, however, that a demand for high fidelity transmission is inevitable within a reasonable time, and to that end the Railway Companies in their program of plant and equipment improvement, are preparing to meet the more exacting requirements such a service will demand.

Under the contract the compensation received by the Railway Companies for the use of facilities furnished to the Commission is thirty-five to forty per cent lower than the charges made for comparable facilities in the United States.

By Mr. Campbell:

Q. I do not think we got those rates before when I asked for them?—A. I have only a paragraph or so to read and then I shall be glad to come back to that question and give you some information.

The revenues presently available from Commission and commercial program transmission are not sufficient to yield a satisfactory return upon invested capital after meeting operating expenses, providing for depreciation and obsolescence, and taking care of constant changes and improvement in service and plant.

In the national interest, however, the Railway Companies agreed to provide these services at unusually low rates, and have continued this policy, although it was expected that additional funds would become available to the Commission, thus enabling them to pay rates more in keeping with the services rendered.

We submit, therefore, that the contract between the Commission and the two Railway Companies is one that is exceptionally favourable to the Commission and that the Railway Companies have made every effort to cooperate in promoting a national undertaking and a public service, not entirely actuated by the earnings involved.

Q. But you are satisfied with the price?—A. I do not say so. I say the price should be augmented to give a satisfactory return for the services rendered. The fact of the matter is that two or three years ago I made the same statement.

By Mr. Edwards:

Q. Are your prices higher than those submitted by the telephone companies?—A. Not at all.

Q. That statement was made yesterday?—A. Yes, but I believe there was some qualification stated when making it. I am not certain, but it seemed to me that the information was based on an erroneous figure of three cents per mile as charged by the railway companies, and there was never such a charge made or such a rate structure.

By Mr. MacKenzie:

Q. The telephone company did not submit any price. They never got a chance to tender?—A. They did tender—

Mr. CAMPBELL: That was in 1933.

By Mr. Martin:

Q. Were you asked to tender?—A. We were all asked to tender.

Q. You were asked to tender. Have you a copy of the tender with you?—
A. No.

By Mr. McIntosh:

Q. There were no tenders asked for? (No response.)

By Mr. Martin:

Q. You said you were asked to tender?—A. Not in the term of a "tender" as an official document, but asked to make a quotation of rates for certain services.

By Mr. Campbell:

Q. In 1933?—A. Yes. In 1933 the Commission, while still in its organization period, was not in a position to know what its requirements were. We said: "Until you know where you are at, go ahead and use our facilities" and they used the facilities of the railway companies for over three months prior to signing the contract. They started using the program facilities of the railway companies on December 24, 1932, and the contract was not entered into until April, 1933. And from the submission made yesterday the telephone companies submitted their low figure in November—

By Mr. MacKenzie:

Q. No. A figure as a basis for negotiation?—A. In November they submitted a figure — am I right?

By Mr. McIntosh:

Q. No. They never got a chance to submit the low figure. (No response.)

By Mr. Edwards:

Q. What were your figures?—A. My understanding was that the telephone companies submitted a tentative figure in November and that in February they were called by somebody in the Radio Commission on the long distance telephone and told to submit a figure.

By Mr. Campbell:

Q. Can you throw any light on the contract in 1933 which would not expire until March this year, which apparently was cast aside and a new contract entered into in August last year? Why was that?—A. That is quite simple. I would say it is an ordinary business practice.

Q. I disagree with you there. (No response.)

By Mr. Martin:

Q. You mean that from your point of view it is good business practice, but Mr. Campbell was not asking that?—A. I did not mean that. I mean that it had been done on several occasions at least by the railway companies. The fact of the matter is that I telephoned my office yesterday to get an idea of a comparable contract, one that involved as much as this contract involved.

By Mr. Campbell:

Q. Was not the contract entered into in 1933 satisfactory to you?—A. No, quite definitely no; and had not been satisfactory for over a year and a half prior.

[Mr. David L. Howard.]

Q. And you made representations to the commission that it was not satisfactory?—A. No. The difficulty with the original contract was this: The Radio Commission were a new body endeavouring to do a job. When they started out they had, like many other organizing bodies, an idea of what they wanted, but the accomplishment had yet to be achieved. Now, it was necessary to have a contract as quickly as possible in order to get the Radio Commission on the air and get some sensible regulation of broadcasting in Canada, because that was the demand of the people. We signed a contract in 1933 about four or five months after the Commission was appointed, and to the best of my knowledge we incorporated what we thought would meet the demands. Many things developed during the first year and kept developing that made the carrying out of the contract extremely cumbersome, so that within a year's time it was evident that the three year period was too long and that something should be done, because there was more business being done outside the contract than inside it. Six months prior to the signing of the second contract conditions had become so acute that very active discussions were carried on. It was not a case of doing anything sharp.

By Mr. Edwards:

Q. You were breaking new ground?—A. Yes. The Radio Commission had developed so quickly and so extensively so far as coverage was concerned that the business being done outside the contract was as great or greater than inside the contract, and consequently a new contract was necessary.

Q. Was there any optional clause for renewals in the original contract?—A. No; the contract terminated at the date of expiry.

By Mr. Johnston:

Q. No tenders called for?—A. No.

By Mr. Campbell:

Q. Was not the figure changed? You were not getting \$375,000?—A. The figure was changed, and many conditions were changed.

Q. It was not a renewal but an entirely new contract? (No response).

By Mr. Martin:

Q. The second contract was executed before the first contract had expired?—A. Absolutely.

By Mr. Campbell:

Q. It was not a renewal?—A. A renewal to the extent that it was the same contract.

Q. The only renewal part of it was that it was between the same two parties?—A. I would not say that. There were certain conditions embodied in the first contract that were not in the second contract.

By Mr. MacKenzie:

Q. And the telephone companies' main contention is that because it was a new contract they should have been given an opportunity to tender or to negotiate, given a chance to participate in this national business?—A. Of course, I am not offering an argument as to that point. All I can say is that such activities are quite common in our business anyway. We have a contract that we signed in 1934. The amount involved and the business involved was greater than the amount that is involved here. The contract we were working under and had been working under for that company for thirty years in the development of

our business in the last five or six years became cumbersome, and two years and three months before the contract ran out we wrote out a new contract making it flexible enough for us to operate under.

By Mr. MacKenzie:

Q. You were dealing with a private corporation, not a government commission. There is a distinction between the two?—A. I am not prepared to comment upon that.

Hon. Mr. Howe: Is it not this, that he had a contract with the Radio Commission and it was not satisfactory either to the Radio Commission or to the railways, and it was dissolved by mutual consent and they made a mutually satisfactory contract? If the Radio Commission wanted that change I think you should question the Radio Commissioners about it, and not Mr. Howard.

Mr. CAMPBELL: We are not blaming Mr. Howard.

WITNESS: There was nothing smart in it. The condition existed.

By an Hon. Member:

Q. It was good business on your part?—A. Reasonably good business.

By Mr. Edwards:

Q. That is your job?—A. (No response).

By the Chairman:

Q. You made a statement to the effect that it was quite usual to renew contracts a long time before the old contract expired, that it is done regularly?—A. Yes, it is done regularly.

Q. On the 24th July the chairman of the Radio Commission wrote to Mr. McFarlane in part as follows:—

After our legislation was dealt with just prior to prorogation, I looked into this matter and find that the contract with the wire companies made in 1933 does not expire until March 31, 1936.

Your contract for five years was signed on the 17th July. Apparently the Commission did not have the same opinion that you had?—A. I think you will have to read on a little farther, sir. I think you will find that the Commission said they were not in a position to sign contracts with the telephone companies prior to the expiry date of the contract they were then working under, which expired in the following year. As far as we were concerned we were parties to the contract and naturally could at any time during the life of the contract cancel the existing contract, but unless we did so the Commission could not write a new contract with the telephone companies.

Q. I will read on farther:—

While we may be asking the railway companies to arrange certain services not contemplated in 1933, it was quite obvious that no contract could be entered into with the telephone companies during the present year?

A. Yes, because they could not enter into a contract unless we cancelled our share of the existing contract.

Q. That letter was written on the 24th July, 1935?—A. Yes.

By Mr. Campbell:

Q. After your contract was signed?—A. Yes.

Mr. WOODSWORTH: Does it not mean that any questions tending to clear up this point will have to be asked of the Radio Commissioners?

[Mr. David L. Howard.]

By Mr. Martin:

Q. You are representing both the Canadian National and the Canadian Pacific?—A. Yes.

Q. And in so far as your representation of the Canadian National, the people's railway, is concerned I think it is only fair to call your attention to page 21 of the brief presented by Colonel Ralston which incorporates the minutes of a meeting between the representatives of the commission and of the wire companies. The intention of the Radio Commission was incorporated in the following resolution:—

The Commission propose that their central co-ordinating bureau with the assistance of the agents of the wire line companies, would work up business among the radio advertisers in Canada. They would arrange with the stations for the necessary time and then turn the program over to the wire line companies for distribution?

A. Are you speaking of sustaining programs or commercial programs?

Q. Both?—A. That is a commercial proposition; the sustaining program is a different proposition. You cannot lump the two propositions together.

Mr. RYAN: Following up Mr. Woodsworth's remark, if these two contracts are the property of the radio commission should we not defer these questions until the radio commissioners appear before us?

The CHAIRMAN: Do you want the contracts?

Mr. RYAN: The point is that we are asking this witness questions which I think we should ask the radio commissioners when the contracts are here.

The CHAIRMAN: Mr. Martin has both contracts in front of him now.

Mr. MARTIN: This contract does not refer only to sustaining programs.

Mr. CAMPBELL: It refers to commercial programs as well.

Mr. MARTIN: I read from a copy of the agreement of the 17th July, 1935, between the commission and the Canadian Pacific Railway Company and the Canadian National Railway Company:—

NOW THEREFORE THIS INDENTURE WITNESSETH:

1. The Railways will provide for the use of the Commission as hereinafter set forth, one program transmission circuit for program transmission, either sustaining or commercial, connecting the studios of the radio broadcasting stations....

Hon. Mr. HOWE: That is why the price was raised from \$275,000 to \$375,000. The Commission got complete use of the program for six hours.

By Mr. Martin:

Q. The point I am raising is this, that this contract refers to both sustaining and commercial programs, and then there was a meeting held at which the representatives of the wire companies and the commission were present, and certain agreements were made, but here we find a contract made without any knowledge on the part of the telephone companies in violation at least of the gentlemen's agreement made on September 1, 1934?—A. This contract was entered into on July 17. The agreement for the pooling arrangement was for one year and ended on the 1st September, 1935. I believe there was a letter read into the record here whereby the telegraph companies prior to September 1, 1935, notified the telephone companies of their action, and there were no commercial programs dealt with by the commission prior to the expiry of that agreement on the 1st September, 1935. And on the receipt of the letter, as I understand the submission made yesterday, the telephone companies agreed to carry on the pooling arrangement from month to month in spite of the objection, and carried on.

By Mr. McIntosh:

Q. That month to month basis was not satisfactory to the telephone companies?—A. They were not satisfied.

By Mr. Ryan:

Q. It is not satisfactory in this respect, that they claim they are entitled to their percentage of the commercial programs proposed to be carried on, which they are not getting?—A. I think, Mr. Ryan, that the Commission would really give you better information on that, because they had some definite object in view when they asked permission to put commercial programs in. I am not interpreting the mind of the commission, but I would say that it was never their intention actively to become a commercial broadcasting agency.

By Mr. Martin:

Q. Did not you conduct the negotiations in connection with all these contracts?—A. Not entirely; I had very able assistants.

Q. But you knew what went on?—A. To a great extent, yes. I think possibly I can inform you on any question. Incidentally may I suggest that in the 1933 contract there was a clause definitely setting out that the commission could handle no commercial programs.

By Mr. Howard:

Q. That is with the telephone companies?—A. In the original contract they could not handle any commercial programs.

By Mr. Bertrand:

Q. It was set out in the contract itself?—A. I will find it if you give me the agreement.

Mr. WOODSWORTH: Since the witness has said there is no reason why these contracts should not be made public, and since they afford a basis for discussion, why should they not be filed?

Hon. Mr. HOWE: They are private documents belonging to the Radio Commission which were filed in camera. They have to do with the business of the Radio Commission, and I felt they should be protected. Now that the witness has released them I see no reason why they should not be filed.

Mr. MARTIN: The committee has the contracts.

WITNESS: I do not think it is a good practice to publish them; it would seem to me to be unwise to do that.

The CHAIRMAN: I do not see anything to be gained by putting those contracts in the newspapers.

Mr. MCINTOSH: They will only tell the truth, so you need not be afraid of them.

WITNESS: It is not good business practice. What I mean to say is there is nothing in the contracts that need to be hidden, particularly. But at the same time it is not customary to broadcast the business between any two parties.

Mr. WOODSWORTH: There is another aspect of that. We have had evidence here given us through one particular group, I believe, of telephone companies who claim they have not had quite a fair deal and who are asking that these contracts should be cancelled. They are asking further that in the giving of contracts, tenders should be awarded. It seems to me that since this is public money—because even if it is the Commission's money, it is public money—subsidized by the country, it is only reasonable, just as we have our public accounts made public, that matters of this kind when a question arises should be given

[Mr. David L. Howard.]

to the public. I think that the effect on the public would be rather more serious if it is known that certain items are to be withheld than if they are frankly placed before it, as they will be more or less distorted if we do not permit the newspapers to get them.

The CHAIRMAN: I might say as far as I am concerned I am in the hands of the committee. These documents were presented before the committee. They are the property of every member of the committee. If the committee decide that these contracts should be dealt with just as any other document which has not been presented in that form, all right. It is up to the committee. Practically every clause in these contracts has been discussed before the committee, so there is very little of secret left in them.

Mr. McINTOSH: Does Mr. Howe want to give us the last word on that point. I think we should be guided to a certain extent by the minister who is in charge.

Hon. Mr. Howe: I see certain objections. We might say, "Let us look at this thing reasonably." We will say, "All right we will call for tenders." In this case we will ask the railways to tender and ask the telephone companies to tender. The telephone companies would admit at once that they could not tender on a complete service across Canada. In other words, if the railways quit, we cannot run a trans-Canada service.

Mr. McFARLANE: Oh, no.

Hon. Mr. Howe: With the present lines. You would have to build some more lines.

Mr. DUPUIS: They claim they have more mileage in wire lines than both.

Mr. McINTOSH: Here is what the telephone companies say, on page 1, in regard to that:—

The units of this system extending from coast to coast provide in combination an efficient and modern telephone service for the Dominion of Canada. The personnel and equipment rank second to none in the world. Practically every known device necessary or useful to conform to up-to-date engineering standards has been adopted and installed.

Then further they say:—

Telephone systems were invented and perfected for the express purpose of voice and sound transmission. We are dealing with that.

WITNESS: There are two points you are bringing up which I think should be answered as you come to them.

Mr. McINTOSH: I want to touch another point in regard to the telephone systems across Canada, which they say is up to date and can do a good job if given a chance.

The CHAIRMAN: What page is that?

Mr. McINTOSH: Page 3.

(2) Telephone systems are built to a considerably higher standard than telegraph systems in order to perform the function of voice transmission.

(3) Telegraph systems were fundamentally for a different purpose, namely, transmission of signals. It has only been by adaptation that telegraph lines have been made usable for voice transmission.

(4) Telephone systems have not greater mileage but wider distribution than railway telegraph systems, and consequently greater flexibility of their facilities.

And down below:—

(6) The total wire mileage of railway telegraph systems is 366,706; while the total mileage of telephone systems is 5,121.

It seems to me when you consider these facts and figures, there is nothing to it at all. The telephone systems as a whole must be given a chance to tender and get part of this national business.

Hon. Mr. Howe: If the telephone companies can perform a duplicate service such as we have now, I do not think there is any doubt. I think steps can be taken shortly to give them an opportunity. It seems to me if they did not bid lower, the whole situation might be dropped after that. I cannot reconcile this whole discussion with the idea of the Radio Commission doing the most efficient Trans-Canada business that they can do. It seems to me out of order. However, we will go ahead on that basis and we will see what can be done. There is no objection to publishing that contract, and we will call for tenders, and let that be the end of it.

Mr. McINTOSH: Thank you.

WITNESS: May I answer that question? I think a wrong impression is created here. You referred there to the most up-to-date telephone lines. My impression is that we are discussing broadcasting lines. Sound and voice, as stated in that submission, are not broadcast transmission lines. The claim is made that they have high class telephone lines. We are discussing, or at least I think the discussion has been along the line of broadcast lines which are entirely different. They state further that the telegraph lines had to be re-adapted. The telegraph lines have been re-adapting themselves for 30 years.

By Mr. McIntosh:

Q. I understood they were re-adapted under the technical advice of experts of the telephone division of Canada.—A. They were re-adapted?

Q. Yes. I understand that the expert advice in that adaptation came from telephone sources, not from your own sources whatsoever.—A. I do not think that is a correct statement.

Q. That is the impression I got yesterday.—A. I am getting a little ahead. I want to answer the submission.

Mr. EDWARDS: You had better get that information from a technical man.

WITNESS: The submission as to the re-adaptation of telegraph lines.

By Mr. Campbell:

Q. We are not in an argument as to who adapted them.—A. No.

Q. You are giving the service now, and the telephone companies claim they have a right to it?—A. The point is that the telegraph lines are just as competent and just as able to do this business as the telephone lines.

Q. I do not think we want to discuss any argument.—A. No, but certain submissions have been made here that because of the grounded circuits of telegraph lines, that telegraph lines are not as good as other lines.

By Mr. MacKenzie:

Q. That might account for the poor programs, or poor reception?—A. Reception is what we are talking about.

Q. We in western Canada get our programs from the States.—A. Well, I lived in western Canada for many years, and I agree with you that I got most of them from there myself.

[Mr. David L. Howard.]

By Mr. Dupuis:

Q. Have you anything to say about the difference in wire mileage between the railway and telegraph?—A. I did try to get something on that.

The CHAIRMAN: He did mention that in his brief.

WITNESS: I really was not given an opportunity to answer that question that I would like to get on record. Our adaptation of telegraph lines has been over a progressive period for over 30 years. Train despatching telephony, which was inaugurated on both railway systems together in 1910, made it necessary for the telegraph lines to adapt themselves to the new form of communication.

Mr. CAMPBELL: I think that is general the world over.

WITNESS: Certainly. And the telegraph grounded circuits referred to in the brief are not common to telegraph companies alone. The telephone companies who submitted that are operating telephone systems with grounded circuits. So that to say that the lines are superior is not according to the facts. The lines are not superior.

By Mr. Dupuis:

Q. What about the difference in mileage?—A. I am coming to that now. I was referring to that particular paragraph. I did not have the brief. It is entirely too long for me to answer, but I did write a few notes in connection with the submission yesterday. I noted this in connection with it:—

In reference to the wide difference in wire mileage as between the telephone and railway systems, we submit that the largest portion of all the telephone companies wire mileage is for city and rural telephone lines; and if the comparison had been on a trunk line basis, which is the proper basis for the present circumstances, such comparison would not be unfavourable to the railway companies.

By Mr. MacKenzie:

Q. That is not in your brief?—A. No. I had no idea previous of what the telephone company submitted. I heard this statement yesterday, and I went down and made this note.

By Mr. Edwards:

Q. You mean in a city like Toronto there must be hundreds of thousands of miles?—A. Hundreds of thousands of miles of lines.

Q. And useless for broadcasting?—A. They could be used, if there was broadcasting for them, but they are not.

Q. It is only the long distance telephone lines that can be used for broadcasting?—A. And they have got to be made into broadcasting lines. You cannot use the ordinary long distance telephone lines for that purpose. They have got to be made into broadcasting lines.

By Mr. Hanson:

Q. We had a witness here from western Ontario a few days ago who said that it was almost impossible for them to get the Radio Commission broadcasts. Has anything been done by the wire companies to reach these outlying sections? We also have had similar complaints which have been sent from northern British Columbia.—A. Yes, Mr. Hanson, that condition in the north has been remedied somewhat by the new contract. We have extended our line, as I explained before to-day, to broadcasting stations at Kirkland Lake and Timmins.

By Mr. Campbell:

Q. That is on the T. & N.O. line?—A. Yes. We are prepared or can extend the line to any other stations that it is found necessary to do so; or if the policy is decided on of placing bigger stations there, with greater power and wider coverage, that can be met. It is not a case of transmission lines. The lines can be made available for any station. There is a peculiar condition there, and I think an engineer of the Commission might cover that. There is a peculiar condition existing in that area as to coverage. We have found out from our experts that you do not get the coverage in that area from the stations that you do in other areas. There is some kind of condition there.

Q. There is no doubt about that.—A. I am not an engineer. I do not know what it is.

Mr. WOODSWORTH: I do not suppose the witness is in a position to give us the trunk mileage of the telephone companies. That is evidently a matter that does come in if we are to have any basis of judgment. I wonder whether the previous telephone witness might be recalled to give information on that one point. I do not think we can get very far on the technical point as to which is the best way of transmitting. But at least we could get the information as to the trunk lines, the telephone lines.

The CHAIRMAN: I think we could get that information from Mr. McFarlane. I understand he is prepared to give that to the committee.

WITNESS: I wonder if that will give you the information?

By Mr. Woodsworth:

Q. I thought that was your suggestion, that we would have to have that.—A. No. I simply stated that comparison would have been obtained. Let me offer this as to the development of transmission. Transmission to-day is not based on wire mileage. Derived circuits are the principal extension of facilities. Any derived circuit may be connecting a number of channels of existing wire mileages. For instance, we have a wire mileage across Canada we will say of 300,000 miles for the two companies; that is 165,000 miles for each company, in round figures. That is not our circuit mileage in Canada, our trunk circuit mileage. We operate, for instance, two carrier channels, two carrier circuits between here and Winnipeg, between Montreal and Winnipeg. Two wires only are involved but still we get twelve telegraph circuits and a telephone system out of it.

By Mr. Dupuis:

Q. On two wires?—A. On two wires. We operate those circuits from Vancouver to Halifax, between Montreal and Toronto. We have probably got three or four. When you say wire mileage, and take two wires and multiply by thirteen circuits or twenty-four circuits or whatever it happens to be—the Canadian National has got a carrier system with which they are working twenty-four circuits and two wires,—it does not really give you that.

By Mr. Woodsworth:

Q. Is there any common denominator by which we could secure some comparable basis?—A. Well, I think the common denominator in this particular case, if I may offer this—and I offer with the very greatest respect—is that for over three years the services of the Commission has been carried on uninterruptedly by the railway companies with their facilities; and there has been no complaint or no objection that has come to the attention to the railway companies as to the quality or the continuity of the service provided in that time. I would say that you have a certain amount of service that you require. We have

[Mr. David L. Howard.]

sufficient facilities proven to give you that service. If you think you want twice or as much again or half as much or whatever you say you want beyond that security which we have proved for three years, then, all right; that is a different thing. But it is not customary in our business. We say that we will provide sufficient service to meet the requirements over a period of three years. The railway companies have provided a sufficient service, and more than sufficient, because they have always been able to meet any extraordinary demands. So that the hall-mark is not necessarily what wire you may have or the number of wires, but what is your ability to give the service.

By Mr. Ryan:

Q. Is that prior to the second contract that you provided sufficient lines?—A. We must give service and give it at the quality that the Commission has set. It is a pretty stiff quality.

Q. Regardless?—A. Yes.

By Mr. Hanson:

Q. Mr. Howard, I did not have an answer to my question, although it is partly answered now.—A. I am sorry.

Q. I said there was some complaint from a section of northern British Columbia. Is there anything in this new contract which sets out that the Canadian National which runs through that portion of the country is to transmit this Commission's broadcasts to that portion of the country?—A. No. The contract sets out the definite situation.

Q. Did you not say now that an arrangement was made to reach those outlying districts—and this is one of the districts—so that they would have the Commission radio broadcasts?—A. Right. I can explain that. In the 1930 contract, as in the previous contract, certain stations were set up by the Commission which had to be connected and which formed what is known as the basic network. In the 1933 contract Kirkland Lake and Timmins, which have broadcasting stations, were not set out and were not served. In the 1935 contract they appeared in the list and service had to be given. As far as I know, there is no station in northern British Columbia. You are dependent entirely on the stations at Vancouver, Kamloops or Kelowna in the southern part. The coverage those stations have may not be satisfactory to you, but there is no provision in the contract for supplying network wire lines to any stations in the area in northern British Columbia.

Q. There is a broadcasting station in Prince Rupert?—A. We have no order at present in the contract to provide service.

Q. It is almost impossible, from Edmonton to Prince Rupert, which is approximately one thousand miles, to get any of the Canadian broadcasts from the Commission.—A. Well, that is a long distance. It would be quite costly to provide it; but it is quite possible to do so.

Q. I presume that the Commission will put in a station?—A. Yes. As far as lines are concerned, we are quite competent and able to serve them any place, any time.

By Mr. Campbell:

Q. Getting back to those rates, I did not get those comparative rates between the United States.—A. You want the comparative rates for services between our side—

Q. And United States?—A. It is based on the six hour service that we are furnishing today.

Q. The same hours?—A. The same hours; the same exactly as written in the contract.

The CHAIRMAN: Order, please.

WITNESS: Based on the rates filed by the broadcast transmission company in United States with the government at Washington.

By Mr. Campbell:

Q. Have they any power of setting those rates in the States?

The CHAIRMAN: Gentlemen, if we do not get order we cannot hear the witness and the reporters cannot get the evidence down.

By Mr. Campbell:

Q. They are set in the same way, competition sets them?—A. Most rates, I would say, for all the services, are just set on agreement by the companies.

Q. What I meant was whether there is any power of any kind, something similar to our railway commissioners? They are not submitted to anybody?—A. There is at the present time a communications commission in United States investigating those matters generally.

Q. That is what I thought.—A. And the matter of rates no doubt will be a part of their investigation, but I do not think there will be an investigation for a year or so. So at the present time we are working under the rates really quoted to the broadcasting companies. Now, for the six hour service that we are presently supplying regularly daily, and the 8½ hour service Sunday, the rates in the United States based on rates filed for that service would be \$577,970.85; that is for the service we are supplying the commission for \$375,000.

Q. About \$200,000 more?

By Hon. Mr. Howe:

Q. Is that the rate that goes to the National Broadcasting Service?—A. That is the rate the National Broadcasting system is paying for the service.

Q. Actually paying?—A. Absolutely.

By Mr. Campbell:

Q. Taking their national network?—A. Taking their national network that is actually the basis of the rate structure that they are paying.

Q. Have you got the break-down? Have they not a red network that goes as far as Kansas?—A. That is on a mileage basis. For instance, in the United States they take a rate set up at so much per mile. It does not make any difference what mileage you have multiplied by that number.

Q. What is the unit price?—A. The unit price in the United States at the present time, based on what is known as standard service, 16 hours a day, is \$84 per rail mile.

Q. For a year?—A. For a year. That works out approximately 10 per cent to 12 per cent higher than our standard on this side, but as our rates quoted to the commission are 65 per cent of standard, that is about right.

Q. Your rates are what?—A. They are 65 per cent of standard rates.

Q. What do you class as standard?—A. Well the rates that we quote for commercial programs. We quote a commercial house \$100, and we quote the commission \$65.

Q. Is 3 cents a mile classed as standard?—A. Three cents a mile was never in the picture as mentioned here yesterday.

Q. I noticed it in the contract?—A. That was the rate that was struck for excess time outside of the contract.

Q. I agree with you there. Is that not a standard rate?—A. No; it is a rate that is struck. Usually in the supplying of service you supply a certain service for certain time at a price. If you want to take over-time you buy over-time

[Mr. David L. Howard.]

and you pay a certain price for it which is not necessarily pro-rated on the contract price. In other words, we might give a six hour service at a reduced price as compared with a half hour or hour service. Your rate for excess time is bound to be higher than the rate in the schedule. I did try to bring out the mileage that we spoke of, so that if you wish to break it down it could be reached. The 3 cents would never form a part of arriving at a flat price to be paid for service rendered. Three cents was excess pure and simple. In the old contract that rate was 3.446 or something like that.

By the Chairman:

Q. Would you call the difference between \$500,000 and \$375,000 over-time?

—A. No, that is commercial.

By Mr. Campbell:

Q. That is outside?—A. It is outside.

By Mr. Howard:

Q. I should like to ask Mr. Howard this question. Take a commercial broadcast originating in Sherbrooke. Is it handled from Sherbrooke to Montreal over the telephone company lines instead of going over the railway company lines?—A. You are speaking of commercial programs?

Q. I am speaking of commercial programs.—A. Well, it may be a convenience. As I explained, the pool is on a 60-40 basis. We assign facilities on the same basis. It might be more convenient to put them over the telephone service than over the railway company's facilities, but it does not mean the railway companies are not in a position to serve; it is merely a case of dividing the facilities on the same basis as we divide the revenue.

Q. On that broadcast you get a proportion of the revenue just the same as if it went over your own lines?—A. Just the same. You might pick up a program on the telephone company's line at Sherbrooke and carry it over to Toronto on the telephone line, or the telephone company's line might carry it to Windsor or Winnipeg, but we divide the usage and the offer is extended in the same proportion as we divide the revenue on the wire mileage used. In a commercial program we would divide it on a 60-40 basis.

By the Chairman:

Q. In other words, as to the C.P.R. and the C.N.R. and the telephone company, there is no competition?

Mr. DUPUIS: On commercial work.

WITNESS: I don't know just what you mean by "competition." We all go out and solicit business, but we are dividing the revenue; there is no competition to that extent. The fact of the matter is, as far as this is concerned, the solicitation of broadcast business is pretty well taken away from the wire line companies. It was not their function originally, anyway. Their function is to sell lines. The usual source of the business before the commission was there was the advertising agency for some large organization, and it is still, as far as being carried out is concerned. Instead of the business going directly to us, we get it through the commission.

By Mr. Howard:

Q. Why I asked the question is this: I have in mind election returns. Take election returns going the other way into Sherbrooke. You would be sitting on the doorstep of the fellow for a week before, trying to get the contract, and the C.P.R. would be there, and you get the contract; whereas a commercial broadcast originating in Sherbrooke and going the other way does not interest you at

all. You take no interest; the telephone company take that but you get your revenue just the same.—A. Well, I would not say that, because you see Sherbrooke may be assigned to the telephone company, and until the program is signed up the circuit has no work, and we would be actively interested in securing your business. How it would be served from a network basis would be another matter. But the securing of the business by either the telegraph or the telephone companies would be a different matter. It would be very much sought after, at least prior to this pooling arrangement.

Mr. MARTIN: Montreal is not interested in election returns from Sherbrooke.

By Mr. Dupuis:

Q. Mr. Howard, you compared the prices of broadcasting lines in the United States with Canada?—A. Yes.

Q. You claimed the Canadian lines are much cheaper?—A. Yes.

Q. And are supplying at lower prices?—A. Yes.

Q. What is the per cent?—A. Sixty-five per cent.

By Mr. Campbell:

Q. I understood you to say from 12 per cent to 14 per cent lower.—A. No; I quoted you the figures there.

Q. I know, but that was the total.—A. \$577,000 against \$375,000.

Q. Yes; then I asked you about the basic rate, and you said the unit price was about— A. I said \$84 rail line in the United States.

Q. I understood you to say—I may be wrong—that it was about 14 per cent higher.

By Mr. Dupuis:

Q. I understood \$65.—A. No; the basic rate in the United States is a rail mile basis, \$84. In Canada the basic rate is an air line, \$100. That is approximately 24 per cent difference because air line mileage is much shorter than rail line mileage; it works out at approximately that.

Q. It is not 65 per cent?—A. That is the basic rate, the standard rate for commercials. What I said here was the rate that we were giving the commission was 65 per cent—

Q. Off the standard?—A. Off the standard.

Q. The telephone company has an American contract from an American company?—A. The contract that they have I believe is a connecting contract with the A.T. & T. of the United States, who carry this program, and we never did participate in the programs between Toronto and Buffalo; that is exclusively telephone business.

Q. You think that company has no contract with the American company?—A. No; no connection or contract. It is all telephone business.

Q. And you claim that the price you are getting from the company is lower than the Bell Telephone Company or any other company receives from an American concern?—A. If the rates being paid to the Bell Telephone Company between Buffalo and Toronto are the same rates as are paid by the National Broadcasting Company to the A.T. & T., yes.

By Mr. Campbell:

Q. Do the telegraph companies in the United States handle programs?—A. No.

[Mr. David L. Howard.]

Q. Who handles them?—A. The A.T. & T. That is only in the United States. That is an arrangement that the telephone companies handle them, because they have the facilities to handle them and patents that the telegraph companies could not use. There is no reason why we could not handle programs if we had the patents.

Witness retired.

The CHAIRMAN: Gentlemen, we have with us today Mr. C. M. Pasmore, of the McLaren Advertising Company, Limited, to present a plan on behalf of the three following sponsoring associations:—

The Association of Canadian Advertisers.

The Canadian Association of Advertising Agencies.

The Canadian Association of Broadcasters.

Mr. Pasmore is accompanied by Mr. Glen Bannerman representing the Association of Canadian Advertisers; Mr. J. A. McLaren of the McLaren Advertising Company, Limited, and Mr. Harry Sedgwick of the Canadian Association of Broadcasters.

Is it the pleasure of the committee that I call upon Mr. Pasmore to present a plan to you? (Carried.)

Before Mr. Pasmore commences to present his plan I desire to ask the members of the committee to cooperate with the chairman in keeping order so that everyone can hear what the witness says, and so that the shorthand reporters will be able to record the proceedings accurately.

CLARENCE M. PASMORE, called.

The CHAIRMAN: Proceed, Mr. Pasmore.

WITNESS:—

The plan which I have to present to your Committee, has been prepared by, and is jointly sponsored by three organizations, which are vitally interested in the success of Canadian broadcasting.

These three organizations are: the Association of Canadian Advertisers; the Canadian Association of Advertising Agencies; and the Canadian Association of Broadcasters.

The Association of Canadian Advertisers represents a substantial majority of the national advertisers in Canada—the firms whose goods and services are advertised and sold in every part of the Dominion. Members of this Association constitute the principal commercial source of broadcast entertainment for Canadian listeners. Their annual expenditures in all forms of advertising total more than \$20,000,000. In the past, they have made a very substantial contribution to Canadian broadcasting; and it is reasonable to assume that under suitable conditions, they may again play an important part. The Canadian Association of Advertising Agencies includes all but a few of the authorized agents of Canadian national advertisers. It is these agencies which handle the actual advertising expenditures of Canada's national advertisers—not only in broadcast advertising, but in all other forms of advertising as well.

The Canadian Association of Broadcasters includes nearly all of the commercial broadcasting stations in Canada—stations whose main source of revenue, in most cases, is derived from broadcast advertising.

In preparing a plan for your consideration, these organizations have assumed two things:—

First, that Government participation in broadcasting should be continued. Reasons for this will be submitted in detail in the accompanying briefs.

Second, that if the revenue for Government participation in broadcasting continues to be raised from the listener, then the listener is logically entitled to first consideration in whatever plan may be adopted.

If these two assumptions are correct, then we believe that the plan which we have to submit will be the most practicable in producing a substantial improvement in Canadian broadcasting.

The three associations realize, of course, that the success or failure of any plan does not depend primarily upon the type of organization adopted. On the contrary, success or failure will depend upon two things which are much more important:

First, the purpose which is aimed at by Parliament; and

Second, the methods which are used in seeking to fulfil that purpose.

For this reason, our plan does not presume to give complete details of organization. Speaking broadly, our plan should function with equal satisfaction whether broadcasting is established as a department of Government; or as a commission appointed by Government; or as an independent corporation subsidized by Government. Any one of these forms of organization would be practicable, providing that the purpose of our plan were retained; and providing that logical methods were followed in seeking to achieve this purpose.

Assuming that Government participation in broadcasting is to be continued out of radio licence revenue, and that the listener consequently must be given first consideration, our plan is designed to provide.

a great volume of Canadian broadcasting of a more attractive character to a larger number of Canadian listeners.

This is the basic purpose of our plan.

The basic methods by which our plan aims to achieve this purpose are:

(1) By concentrating the attention of the Canadian Radio Commission, or its successor, upon its fundamental duty of producing and distributing better broadcasts.

(2) By co-operating with commercial broadcasters in extending the quality and coverage of sponsored broadcast entertainment.

(3) By seeking the co-operation of the listener in regulating the type of entertainment offered.

With your permission, I would first like to read the complete plan—and then go through it clause by clause, to explain how each detail was arrived at, in relationship to the purpose and the methods which I have outlined.

A PLAN FOR THE REORGANIZATION OF BROADCASTING IN CANADA

As a basis plan for reorganization of the Canadian Radio Commission, the Canadian Association of Broadcasters, the Association of Canadian Advertisers, and the Canadian Association of Advertising Agencies, concur in the following suggestions:—

[Mr. C. M. Pasmore.]

- I. That the principle of Government control and supervision of broadcasting be retained.
- II. That Government participation in broadcasting be continued for the purposes of
 1. Supplementing commercial or other privately sponsored broadcasting, to provide more continuous entertainment for listeners than would be possible under a purely commercial system.
 2. Organizing more widespread distribution of programs than would be likely to obtain under a purely commercial system.
 3. Ensuring nation-wide broadcast of events of national and international importance.

That the cost of this service be paid out of revenues from radio licence fees and earnings from the sub-lease of line time to commercial interests.

By Mr. Campbell:

Q. Could you explain that?—A. Yes. I would like to come back to that if it is permitted.

The CHAIRMAN: Yes.

WITNESS:

That expenditures in this connection be confined to the production and distribution of programs and other appropriate features.

III. That the functions of the existing Commission be divided into

1. Regulatory.

(a) Regulations affecting programs, advertising, etc.

(b) Regulations affecting station licences, outputs, frequencies, operating schedules, etc.

2. Operative.

(a) Production, importation and distribution of sustaining entertainment.

(b) Engagement of line and station time for this purpose.

That the regulatory functions above be assigned to the Department of Communications.

I am not sure of the name. It used to be the Department of Marine.

Hon. Mr. Howe: It is now the Department of Transport.

That the operative functions be assigned to a special body to be created for that purpose, which shall neither own nor operate any commercial stations in Canada.

IV. That the body created to take over the operative functions of the Canadian Radio Commission shall consist of a board of governors or directors operating through a general manager.

V. That this board of governors shall consist of
a chairman and vice-chairman who shall be nominees of the Minister of Transportation and Communications;
a representative of the Canadian Association of Broadcasters;
a representative of the Association of Canadian Advertisers;
a representative of the Canadian telegraph and telephone companies;
a representative of the National Council of Education;

a representative of the National Council of Women;
 a representative to be agreed upon by the various conservatories of music and university departments of music in Canada;
 a representative of the Canadian Trades and Labour Council;
 a representative of agricultural interests.

That the above representatives (other than the Chairman) shall be appointed by the government, being selected from nominations submitted by the various organizations and other interests indicated above.

That the governors shall act on an honorary basis, excepting that all travelling expenses incidental to the meetings of the board shall be paid.

That the board shall meet at quarterly intervals; and for special purposes at the call of the chairman.

VI. That the general manager shall be a man of practical experience in broadcasting, functioning full time on salary, and assisted by a sufficient staff of experienced broadcasting specialists.

VII. That in the lease of land line time for its own uses, the board shall reserve the right to sub-let portions of its line time to commercial sponsors for network purposes, at a standard graded scale of rates designed to encourage the use of more extensive networks by those sponsors; provided that in no case shall these rates be less than a pro rata proportion of the gross cost of such lines to the board.

VIII. That the prime function of the board shall be to produce and distribute the largest possible volume of the most acceptable types of programs to the largest possible number of Canadian listeners.

That in this function, it shall ensure that precedence shall be given over national networks to events of national or international importance; that the board shall itself decide what broadcasts shall be considered of sufficient importance to justify this designation; and that it shall be guided in this by the indication of listening habits provided for in IX hereunder.

IX. That the sole judge of the acceptability of all programs and features other than those designated in VIII above, shall be the listener himself, as indicated through surveys; and that for this purpose a perpetual survey shall be kept in operation in representative points throughout Canada.

X. That the sole index of station coverage shall be a perpetual field survey of signal strength, to be carried on by the Department of Transportation as one of its regulatory functions.

XI. That the results of either or both of the above surveys shall be available to private sponsors of broadcast entertainment, at a fee to be determined.

Clause 1 provides merely formal recognition of what is necessarily a government function. Under an international convention it is necessary for the government of any country participating in that convention to regulate its broadcasting, due to the fact that broadcasts and wireless communications are very closely related.

By Mr. Martin:

Q. What treaty is that?—A. It is not a treaty. This is my understanding. It is not a treaty but a convention.

[Mr. C. M. Pasmore.]

Q. Well, a convention is a treaty. This convention is a treaty. What is the convention?—A. I am sorry, sir, I do not know.

Mr. MARTIN: Do you know, Mr. Howe?

Hon. Mr. HOWE: I think it was the convention arrived at, at a meeting in Spain two or three years ago, was it not?

Mr. McINTOSH: It might be a convention without any parliamentary ratification. Then it would not be a treaty, neither would it have legislative existence in fact.

Hon. Mr. HOWE: I think all countries do regulate it. I know it is regulated in United States.

WITNESS: That convention was arrived at merely for the purpose of avoiding chaos in broadcasting. Because unless nations which are adjacent to one another divide up the broadcast channels among them on some systematic basis, then you are going to have stations close together on the same channel, which will kill effectiveness of one another. You have an example of that in connection with the wave length of CRCT at the present time. Mexico apparently does not adhere to this convention, with the result that the Mexican station or Mexican government issues licences for whatever wave lengths it pleases, and it has placed a very powerful station on the same wave length that is supposed to be kept as an exclusive channel on the North American continent for CRCT, with the result that the CRCT signal is heterodyned even within the city of Toronto.

By Mr. McIntosh:

Q. Your point is that we need international co-operation in order to make it a success?—A. Absolutely.

Mr. RYAN: I am informed that that was a convention that was agreed on by the different countries.

The CHAIRMAN: It was made in Madrid three years ago, I think.

Mr. RYAN: Yes. I was so informed.

The CHAIRMAN: Have you a copy of that, Mr. Charlesworth?

Mr. CHARLESWORTH: No. It is a matter of external affairs. It would be Dr. Skelton.

Mr. MARTIN: Commander Edwards.

The CHAIRMAN: Yes, Commander Edwards will get it.

WITNESS: Then, Clause 2—

By the Chairman:

Q. What are you reading from?—A. I am referring back to the plan now, sir, clause 2 of the plan, ordinary numeral 2. The first paragraph with its three subdivisions provides for government participation in broadcasting under this plan. In section 1 we suggest that such participation is necessary for the sake of providing a larger program service; that is, greater continuity of programs and better programs for the sake of the Canadian listeners.

By Mr. Martin:

Q. You do not suggest how we might arrange that financially, do you?—A. Later, sir; later in the same clause. In section 2 we suggest another reason for it, which is more widespread distribution of programs than are possible to be obtained under a purely commercial system. As an example of that, you find that in the centres of dense population there is quite a variety and continuity of reasonably good commercial broadcasts being put out over private stations. In Toronto and Montreal, for example, a good many listeners would

say perhaps that some of them are not good programs. But on the basis of the telephone tests we find that they are sufficiently satisfactory to Canadian listeners in a large number of cases; that there will be more listeners in these cities listening to our home-brewed programs, inexpensive though they be, than the imported network broadcasts from the United States, the big broadcasts at the same hour over other stations in the same city. That has been proven very frequently by telephone tests. But unfortunately under present conditions the majority of advertisers cannot afford the necessary costs of lines and stations to carry those programs across the Dominion. Consequently government participation is needed to see that all parts of the Dominion get the same sort of satisfactory service on programs.

The third section deals with the broadcasting of events of national and international importance. I think, sir, that you will understand that for events of that type it is not to be expected that any commercial sponsor is going to pay the heavy line costs involved in distributing such programs across Canada. Consequently, unless there is government participation in broadcasting or unless the line companies themselves give their services free and the stations give their time free, it would not be possible to distribute such broadcasts to the Canadian listeners. Consequently, for that purpose again, we believe it to be necessary that the government should continue to participate in broadcasting.

By Mr. Campbell:

Q. Have you any examples?—A. Well, the Moose River disaster broadcast would provide one example. The Christmas broadcast of an Empire nature provides a very outstanding example.

Q. Election returns?—A. Election returns. There are quite a variety of broadcasts.

By the Chairman:

Q. You infer that the practice as it exists to-day should be continued. Is that your idea?—A. Absolutely, sir; that the cost of this service be paid out of revenues from radio licence fees and the earnings from the sub-lease of line time to commercial interests. The licence fee revenue you are already familiar with. Sub-lease of line time to commercial interests refers forward to clause 7, and I think we can deal with it when we get down there.

By Mr. Martin:

Q. Have you given any consideration at all to another way of collecting from the users of radio, other than the licence fee?—A. Yes. That has been given quite a bit of consideration by various commercial organizations. But so far they are all in absolute agreement that the easiest and the fairest way of collecting this money from the listener is in the form of a licence fee. If you go to collect it on tubes, one man through a bit of luck may happen to make his tubes last for many years while another man may burn them up repeatedly, in which case the man of ill-fortune would be paying more than his share and the man with good fortune in the matter of tubes would be paying less than his share. In practically all countries where any substantial part—any that I have heard of, I should say—of the cost of broadcasting is paid by the listeners themselves, the usual procedure is the licence fee. In this is established to some extent the principle—and I think this is an important point—that the government is acting as an agent for the listener, taking his money and spending it for him to provide him with entertainment. I think it would be a good idea to keep that point rather clearly in mind in connection with all of our brief, since to some extent it is based on that idea throughout.

[Mr. C. M. Pasmore.]

Q. Are there expenditures now made by the Commission that are not related to production and distribution of programs and appropriate features?—A. None that I know of. But I do believe this, that a much larger portion of the expenditures could be devoted to the programs. Oh, yes, there are other expenditures too. There has been quite a considerable expense in connection with the construction or purchase or rental and operation of stations.

The CHAIRMAN: Gentlemen, I do not think we can get through with Mr. Pasmore. It is one o'clock.

Mr. McFARLANE: Mr. Chairman, I would like to clear up that point with regard to wire mileage.

The CHAIRMAN: Do you want to do it now?

Mr. McFARLANE: Yes.

The CHAIRMAN: Will it take long?

Mr. McFARLANE: No.

The CHAIRMAN: All right. Go ahead.

Mr. McFARLANE: The wire mileage quoted in our brief covers the miles of wire of metallic circuits for the hotel telephone wire distribution. That includes the trunk lines.

The CHAIRMAN: All right. Gentlemen, shall we meet at 3.30? Will you kindly be here at 3.30 so that we can get started?

The committee adjourned at 1.10 p.m. to meet again at 3.30 p.m.

AFTERNOON SESSION

The Committee resumed at 4.00 p.m.

The CHAIRMAN: Gentlemen, if you will kindly come to order.

I have received a memorandum prepared by Mr. Bray, President of Local 10, of the Canadian Federation of Musicians in refutation of some statements which were made by Mr. Murdock and Mr. Dunlop. Is it the wish of the committee that it should be included as an appendix to the proceedings.

Mr. MARTIN: I think so, to save time.

The CHAIRMAN: Mr. Pasmore, will you come forward please?

C. M. PASMORE, recalled.

The CHAIRMAN: Commander Edwards has just presented me with copies of the recommendations of the Madrid Conference in both French and English, and he has called attention to article 25, dealing with broadcast installations and channels, and tele-communications.

Mr. RYAN: Does it take that whole book to cover it?

The CHAIRMAN: Mr. Pasmore was asking certain questions.

Mr. RYAN: It was suggested this morning that it was not long and that it could be put into the record.

The CHAIRMAN: It is only a short passage.

By the Chairman:

Q. Will you go ahead, Mr. Pasmore?—A. I would like with your permission to return to the last two paragraphs in clause 2. The first of these reads, "that the cost of this service be paid out of the revenues from radio licence fees and earnings from the sub-lease of line time to commercial interests." One of the purposes of that paragraph which I do not think I mentioned this morning was to prevent draining the treasury for broadcasting purposes. Perhaps it would clarify it a little if the word "confined" were in there; that is, that the broadcasting expenditures should be confined to revenues obtained from these sources.

Q. Do you wish to make that as an amendment to your brief?—A. I would not like to suggest any amendment to the brief, in this plan, sir, owing to the fact that I am not representing myself in submitting this plan. Three organizations are together

Q. Your explanation will take care of that?—A. The final paragraph of that clause—

By Mr. Martin:

Q. What about the question of earnings of sub-leases? Now, what do you understand the situation is in respect to sub-leasing by the present Radio Commission?—A. The sub-lease of lines?

Q. Yes. You were suggesting that as one means of raising money?—A. Yes.

Q. You were suggesting three courses. Are these two courses now adopted by the commission?—A. I believe they are, yes. But this plan does not necessarily confine itself to points of difference from the existing set up. There have been suggestions in the past, as you may recall, that a rather expensive station set up should be created, including a chain of 50,000 watt stations, and all that sort of thing. That almost necessarily would involve heavy expenditure, which would have to come out of the treasury. And the purpose of the clause is merely to suggest that any expenditures on broadcasting should be confined to earnings from licence fees and from sub-lease of lines or similar sources of revenue. "That expenditures in this connection be confined to the production and distribution of programs and other appropriate features." Now, that paragraph is better explained by clause three: "That the functions of the existing commission be divided into regulatory and operative, with these two divisions of each." Now, I would again like to repeat that the three associations do not stress the need of following all the details of this plan. Actually this plan is submitted merely as a rough outline. The purpose involved in it is the principle of the thing rather than the details by which we suggest it might be carried out. For example, it might be thought advisable by parliament that regulations affecting programs, advertising etc., should be continued as one of the operative functions of the commission, while taking out regulations affecting station licences and all engineering details of that nature, and putting them back into the hands of the department which previously controlled them. The purpose of this division is principally one of economy plus efficiency.

Q. Where are you now?—A. We are still on clause three.

Q. Are you over the page?—A. Really, I am taking up the entire clause, which turns over the page. The association making this recommendation believes that if the commission's functions were confined to the duties of distributing and producing programs it could do a more efficient job than if it also had to undertake to look after operating stations, controlling wavelengths and a number of engineering details of that sort, which are not at all related to the problem of program production and distribution. The association also feels

[Mr. C. M. Pasmore.]

that with a skeleton frame work of an engineering set up already existing in the department the work can be handled much more economically by the department than by having a duplicate set up in the commission attempting to look after engineering details.

By the Chairman:

Q. That is as it exists today?—A. That is what exists today.

By Mr. Martin:

Q. What about the carrying on by the commission of advertising over the air competing with others engaged in that business?—A. By the commission?

Q. Yes. We are not recommending anywhere in this plan—

Q. What do you say about it?—A. I do not believe the commission as a commission should have anything to do with it, sir.

Q. But having in mind the difficulty of financing this whole matter is that a suggestion that deserves some merit?—A. That advertising broadcasts be included?

Q. Yes. A. By all means. We suggest that they should be included, but we do not believe that the commission can handle them. We suggest that the commission's duty should be confined to producing and distributing programs; that for the purpose of distributing programs it should engage line time; that the line time which is required by commercial sponsors should be sold by the commission to the commercial sponsors at a profit to the commission; and that the commercial sponsor engaging station time would organize their own network.

Q. Do you know of an instance where the Radio Commission has competed?—A. Competed with stations?

Q. No, no; we are talking about advertising now?—A. Yes.

Q. Do you know any occasions where the commission has competed?—A. With whom, sir?

Q. With the advertising companies?—A. I have heard of cases.

Q. I mean, of your own knowledge?—A. The commission have put programs on the air at the same time that advertising programs were on the air. Yes.

Q. I haven't got this clear. All through the inquiry it has been bothering me. For instance, in Windsor there is a private station and there is a Radio Commission station?—A. Oh, I see what you mean. Yes.

Q. And both carry on advertising?—A. Well, we suggest that that would be done away with if the commission is not permitted to own a station. Then the commission could no longer compete with private stations for commercial business. I do not think that the commission should compete with private stations for commercial business.

Q. That is a very important matter. What is your view?—A. In the first place I do not believe that the Commission, being after all a department of the government, is capable of competing with real effort to obtain commercial business without getting itself into a lot of hot water. I think that is almost inevitable.

Q. Speaking of the position as it is today and as it has been for some time, what about the prices charged by the Commission for advertising space or time space as compared with the corresponding position in the case of private companies?—A. I would say that generally speaking the Commission prices are very fair. I would not say they were low; they certainly are not high.

Q. They are lower?—A. In most cases they are lower than the competing stations, but also in most cases the Commission has less coverage than competing stations. I am thinking of Windsor and Toronto specifically.

I am through with clause 3.

IV. That the body created to take over the operative functions of the Canadian Radio Commission shall consist of a board of governors or directors operating through a general manager.

V. That this board of governors shall consist of..Right here I would again like to emphasize the fact that we are not wedded to any of the details of this plan as details. The purpose of a board of governors such as we have suggested here is this, that there are certain organizations, certain branches of commercial activity which are intimately interested in successful broadcasting. One of those groups is the group of advertisers. Another one consists of the line companies who transmit programs. The third one consists of the group of station owners. We believe it would be well worth while for parliament to consider having representation from those three groups on any board that may be set up because of the much higher degree of cooperation that it could obtain from them by that process.

Now, the remaining groups that are named in this plan are given merely as a suggestion of how nominees for the board could be obtained. It would be quite practical to substitute territorial representatives for class or group representatives in making up a board of this type. As I say, we do not want to be at all hidebound concerning the constitution of the board.

By Mr. McIntosh:

Q. The selection of any board should be made only after the greatest consideration and care?—A. Yes, sir.

Q. If you got a board that is not representative of the Dominion and you have one organization on it and another organization off it, it would have a detrimental effect on the set-up immediately?—A. Yes, it might be just too bad. It may be simpler and possibly would be simpler to have territorial representation, but we do suggest that in addition to either territorial or class or group representation parliament might seriously consider the advisability of having on the board, either as member of the board or as an advisory council attached to the board, representatives of those groups who are intimately interested in the problems of broadcasting.

Q. Territorial representation with an advisory council?—A. That might be the solution.

By Mr. MacKenzie:

Q. I notice you have two representatives in the groups you represent here?—A. Yes, that is the Canadian Association of Broadcasters and the Canadian Association of Advertising Agencies, but those are totally different groups. One is the advertiser who puts up the money for the programs, and the other is the station. The Canadian Association of Broadcasters is an association of station owners.

Q. You are not suggesting this as a final arrangement?—A. No; there is another group represented here to-day.

By Mr. Martin:

Q. This is your definite proposal, surely? (No response.)

[Mr. C. M. Pasmore.]

By Mr. MacKenzie:

Q. If it is, I would like to say something about it?—A. No. I have tried to make it evident from the first that we do not wed ourselves to the details of this plan; they are not important. This is provided as an illustration of how that plan can be carried out.

By the Chairman:

Q. It is simply a suggestion, based on experience, that the three first-named associations should form part of this board or council on account of their being interested directly in radio broadcasting?—A. We believe we could be of assistance.

Q. And the others you suggest because of their importance as a national body?—A. Yes.

By Mr. MacKenzie:

Q. If you are seriously considering those others I would like to ask you about the fourth: "a representative of the National Council of Education." What is that organization? What has it to do with education in Canada? Who does it represent?—A. It represents practically all educational authorities such as school teachers' association.

Q. I beg to differ with you there. It is not considered by any educational association that I have ever been connected with as a body representing the educational forces of Canada?—A. That is strange, because I was referred to them in Toronto by telephoning the other associations first.

Q. That association, I understand, is not considered by any educational authorities in Canada as representing them?—A. I am merely saying that when I tried to find out what would be the most generally representative of all educational bodies in Toronto I telephoned all the other associations and they referred me to the National Council of Education as being the most generally representative.

Q. I think it is Major Ney's organization?—A. Yes.

By Mr. Martin:

Q. It is very significant that you have left out, assuming that this is a final proposal, the newspapers?—A. Just in what way?

Q. You have left out the newspapers. You have certain suggested classifications and the newspapers are not included?—A. It would be like suggesting that broadcasters should be on the board of directors of the C.D.N.A.

By Mr. Campbell:

Q. Quite a number of the broadcasting stations are owned by the newspapers?—A. Yes.

Mr. HOWARD: I move that we put the witness's brief in the records and proceed with something else.

Mr. CAMPBELL: Mr. Pasmore represents the only persons who have been intimately connected with radio that we have had before us with the exception of the commission, and I think we should have the benefit of his experience and associations.

The CHAIRMAN: It was agreed, Mr. Howard, before you came in this morning, that Mr. Pasmore would be allowed to read his brief and then give his explanations of the different clauses contained in it. I think we had better go on as we have started.

Mr. DUPUIS: In view of the fact that many questions enter into the technicality of this system I think we should have an advisory council who might discuss this matter more intelligently than we are doing now. Who is the specialist among the members of this committee capable of discussing the matter intelligently, except Mr. Massey, perhaps?

The CHAIRMAN: If such a council were set up I would choose you as one member and Mr. Paul Martin as another. Personally I do not know very much about it.

Mr. MARTIN: Neither do I.

The CHAIRMAN: Will you go on, Mr. Pasmore, please.

By Mr. Ryan:

Q. Did you consider at what place this board should meet?—A. No, we did not give that any consideration at all.

In connection with the brief, the next three paragraphs of that clause are purely formal and I do not think they need any explanation.

No. 6, with regard to the general manager, is also largely formal, excepting that it expresses a principle which we strongly endorse; that the head of the Broadcasting System, or whatever it might be called, should be a practical broadcasting man.

By Mr. Martin:

Q. Have they a general manager in Germany?—A. I have no idea what the system is in Germany.

Q. In Australia?—A. I believe they have. In England they certainly have.

By Mr. MacKenzie:

Q. Who is the general manager in England?—A. Major Gladstone Murray, I think.

Mr. CAMPBELL: It is Reith.

The WITNESS: Reith is the president, is he not?

Mr. MARTIN: He is the president, and Gladstone Murray is the assistant. Clause 7 of the brief reads:

That in the lease of land line time for its own uses, the board shall reserve the right to sub-let portions of its line time to commercial sponsors for network purposes, at a standard graded scale of rates designed to encourage the use of more extensive networks by those sponsors; provided that in no case shall these rates be less than a pro rata proportion of the gross cost of such lines to the board.

By Mr. Campbell:

Q. Will you explain that?—A. Yes, sir. The cost of a quarter-hour of service on a Canadian network to a commercial sponsor is 11 cents for the first quarter-hour. This is in the Ontario zone. If you hire a half an hour in place of a quarter-hour the rate goes up to 14 cents, which reduces the quarter-hour rate to 7 cents. If you use a full hour, that is, four quarter-hours, the price is 18 cents, which reduces the quarter-hour rate to $4\frac{1}{2}$ cents.

Q. That is per mile?—A. Per line mile. If you use four hours consecutively, the rate is 42 cents, which brings down the quarter-hour rate, if my arithmetic is correct to $2\frac{5}{8}$ cents per line mile per quarter-hour on the four hour basis.

Q. There are not many programs that use four hours?—A. There are no programs that use four hours, sir, but I wanted to put these figures before you as an indication of how much more economical lines can be purchased in gross. Our contention is that in order to encourage a more widespread distribution of a larger number of commercial programs, the Commission should have an arrangement with the line companies—which I understood from this morning's

[Mr. C. M. Pasmore.]

evidence it has—whereby it will be permitted to sub-let its line time which is purchased in gross to commercial sponsors. But our recommendation is to the effect that that line time should be sold to commercial sponsors at a rate which will make it possible for commercial sponsors to use network broadcasting. At the present time the line rate is so high in combination with station rates that there is very little commercial broadcasting on national networks in Canada. At one time there was quite a lot.

Q. You heard the evidence this morning regarding the low charges in the United States?—A. Yes.

Q. In your advertising experience no doubt you could give us some comparisons between the charges for networks in the United States and in Canada?—A. Theoretically the line time in the United States is very much higher than in Canada.

Q. Theoretically?—A. Theoretically, yes. I mean the basic rate for casual use. If you want to buy a line, as we frequently have had to buy lines to bring up a hockey broadcast from the United States, we pay a very high line mile rate for those lines, much higher than in Canada. But there is practically no such use of lines in the United States. Instead, it is nearly all bulk business. That is, the big network companies buy the lines on a sixteen-hour basis and they sub-let them to the sponsor at a very much lower rate. Now, actually, the sponsor does not buy those lines. The commercial sponsor of the broadcast does not buy the lines as lines. He buys a network which includes line and station time.

To give you a contrast between the United States and Canada, I checked over recently the cost of the basic network of the National Broadcasting Company, and I find that you can buy that network, lines and stations, for one hour for a few dollars less than you can buy the stations alone, if you go out and buy those stations at their basic rate.

Q. You can get the network lines thrown in for less than you would pay for the station?—A. Exactly.

Q. Have we any such system here?—A. Mr. Sedgwick gave me a sheet which shows actually a few dollars more for the line and station rates than for the station rates alone, a matter of \$17.00. The computation which I made myself a few days ago in Toronto showed about the same number of dollars in the opposite direction. Which of us is right, I do not know, because in some cases the station quotations are just a little bit difficult to determine on the basis of the individual station time as compared with making an exact comparison with the NBC rates.

Q. Is anyone carrying along a similar broadcast here?—A. No.

Q. There is no network that you can buy on a similar basis?—A. No. You can from the Commission, but it simply consists of all the station rates plus all the line rates.

Q. There is no discount or anything for taking it in gross?—A. There is the agency commission, but that goes in any event.

According to these figures here the NBC rate, the basic rate for the network for one hour, amounts to \$6,440.00 while buying the stations individually amounts to \$6,423.00. I notice two of these station rates are quoted as half-hour rates. An allowance is made to increase those to full hour rates. According to the estimate I made in Toronto recently, the station time alone would cost more than the combined stations and lines.

By Mr. MacKenzie:

Q. What was the first figure you quoted?—A. \$6,440.00 as against \$6,423.00 for stations alone. But in the figure for stations alone, there is no quotation at all given for a portion of a station, and the other stations are quoted on

the half hour basis instead of on the full hour basis. When allowance is made for this, the station alone rate would be higher than the combined station and line rate.

By Mr. Campbell:

Q. Have you any idea of the comparison between the line mileage there and the line mileage in our network?—A. I inquired from the National Broadcasting Company concerning this network several years ago. I do not think it has changed very materially since then. The line mileage at that time was approximately 3,600 miles.

Q. What is ours?—A. Well, it depends on what the network is here, sir.

Q. For the national network?—A. You have got across the national network something under 5,000 miles of lines.

By Mr. Martin:

Q. When the President of the United States goes on the air on a national hook-up, who pays for that?—A. I understand that the network companies give him time free. But there is no such network company here other than the commission.

Q. You get the same effect here.—A. Through the Commission?

Q. Yes.

By Mr. Campbell:

Q. Your proposal is that the Commission should hire the lines, and be able to sub-let them to sponsors, is that the idea?—A. Yes.

Q. So that they can get it at a rate that would encourage advertisers to use them?—A. To use them more extensively. Not only a greater number of advertisers using them more frequently, but to use more extensive networks, and our suggestion in that connection is that the scale be graded so that the user of the small network gets relatively little reduction as compared with present costs, while the user of a complete network will get the maximum reduction which the Commission might consider permissible. By that it means you would be encouraging the commercial sponsor to send out his programs and provide entertainment to the whole of Canada. If he fails to do it, if he confines his effort to a purely national network, then the Commission would be making a fairly substantial profit out of the lines for that network. That profit in turn could be used to help out sustaining programs on the section of the network that was not covered by the advertiser.

Q. No doubt they must have a certain amount of deadhead charges on account of the flat rate on the six hour service?—A. Well, they need that for the distribution of their own sustaining entertainment, and network commercial broadcast using network trans-Canada saves them the need of putting out programs on that particular hour. They make a saving there and at the same time they can make a profit on the line; but I do not think they should carry it quite to the extent that they are doing at present in attempting to make commercial sponsors pay the full line rate, because probably the result of that is, although they are getting it, they are not getting the money in the cash register. In other words they are not selling line time to anything like the extent it should be sold if it were sold at a lower rate.

By Mr. Dupuis:

Q. You suggest in paragraph 7 an encouragement of the commercial program. It is understood that those commercial programs sponsor a particular type of goods, and so they have to advertise before and after the program. Have you

[Mr. C. M. Pasmore.]

knowledge that these commercial concerns do not follow the regulations of the commission as set out in paragraph 99 of the rules and regulations which says that advertising should not exceed five per cent of the time?—A. Oh, there are many programs that never exceed 5 per cent of the time; there are a great many others that do exceed 5 per cent of the time, but that permission has been given by the commission in view of the recommendation of the last parliamentary committee, the committee of 1934, to the effect that that clause should be very liberally interpreted. Even as the act stands, you will notice, sir, that the five per cent restriction applies excepting with specific permission from the commission.

By Mr. Martin:

Q. It is pretty difficult apart from the statements at the beginning, at the end, and in the course of a program actually to determine the limit. In some cases all of the program is an ad.—A. In many cases it would be physically impossible to measure the commercial content of the program. For example the Jack Benney program; I do not think anybody could stop watch that program and say what was advertising and what was not.

By Mr. Dupuis:

Q. My experience seems to show that they exceed 5 per cent not only at the beginning and end, but during the program. That happens in a great many cases; for instance those who advertise eye glasses give a story on the importance of having good eyesight.—A. I should not like to argue with you on that at all because it is quite impossible, with the average commercial program, to strike an average. It is quite possible it may have been 5 per cent, or it may have exceeded to some considerable degree; but I do know that fairly large programs do keep within the 5 per cent, not because the commission compels them strictly to keep within the 5 per cent, but because they do not happen to need any more than 5 per cent. Other programs do handle their advertising in a totally different way. They can get away with 10 per cent or 15 per cent without any objection from anyone. It all depends on how that advertising is handled.

Q. What is the percentage of commercial programs as compared with other purely artistic programs?—A. On the air?

Q. Yes.—A. That is something that Mr. Sedgewick, who will follow me, will be able to give you. That is something I don't know, sir.

Q. If the suggestion made in paragraph 7 is followed as to the increase in commercial programs, don't you think it might lead to abuse?—A. It might lead to abuse sir, if it were not watched but it would not very likely lead to serious abuse for this reason, that the commercial sponsor has to keep the goodwill of the listener or that program is going to do more harm than good. If he puts out advertising which is offensive to the people who are listening to his program to whom he is selling his advertising, if that advertising is offensive to his listeners, then he is going to do far more harm than good; consequently he is bound down to his own necessity of keeping the goodwill of his listeners, and keep within reasonable limits with his advertising.

By the Chairman:

Q. The listener is his client there?—A. Yes. I will admit a great many of them sooner or later have found their error.

By Mr. Dupuis:

Q. What are your views as to the quality of music and songs put out by the commission as compared with the commercial sponsors?—A. I should not like to give any view at all because my experience in broadcasting which extends

back over 7 years has told me that no single man's opinion is worth anything with regard to the relative merits of programs or relative attractiveness of programs. There is only one way. We found ourselves time and time again fooled, and sometimes we were enjoyably disappointed with the results that we obtained from telephone surveys. Programs that are generally accepted as being big features we sometimes found with small listening audiences. Some were found to be ignored and some that were not considered of great importance were found with perfectly large audiences, so my opinion is absolutely worthless on that point, sir.

Q. As a matter of fact, do you not admit that these commercial programs are usually made up of phonograph records?—A. No, I should not like to say that. There is a lot of day-time small advertising stuff which use records; but the commission does not permit night programs of phonographic records, except to a very limited extent.

By Mr. Martin:

Q. Theme songs?—A. Well yes; you can use sound effects in theme songs, and things like that.

The CHAIRMAN: Go on with the next program.

WITNESS: That the sole judge of the acceptability of all programs and features other than those designated in 8 above—

Mr. CAMPBELL: You did not read section 8.

WITNESS: I am sorry: (8) That the prime function of the board shall be to produce and distribute in the largest possible volume of the most acceptable types of programs to the largest possible number of Canadian listeners.

That in this function, it shall ensure that precedence shall be given over national networks to events of national or international importance; that the board shall itself decide what broadcasts shall be considered of sufficient importance to justify this designation; and that it shall be guided in this by the indication of listening habits provided for in (9) hereunder.

Now that really is the objective of the whole plan, and I do not think it needs any further explanation than that which has been given similarly to paragraphs which have to do with the type of broadcast that I have already discussed. I do not think it needs any further explanation.

(9) That the sole judge of the acceptability of all programs and features other than those designated in (8) above, shall be the listener himself, as indicated through surveys; and that for this purpose a perpetual survey shall be kept in operation in representative points throughout Canada.

Our very strong recommendation is that a program survey be made in Canada for the reasons which I expressed a few moments ago; namely that no one man's opinion is worth a hoot on the subject of the relative merits of broadcast entertainment. The only way by which it is possible to discover it—

By Mr. Campbell:

Q. By taste?—A. Tastes differ. The only way possible to discover what programs people are listening to and how well they like them is by the use of surveys. We suggest that that should be made the one and only method of judging programs.

By Mr. Martin:

Q. Is not there an obvious weakness to that test. If you relate 8 with 9, 8 provides that the most acceptable type should be that which reaches the largest possible number of Canadian listeners. Now, there are some programs which have, I imagine, a very small range of listeners but which are of a high order?—A. True.

[Mr. C. M. Pasmore.]

Q. To apply this test you would have to eliminate them. I suggest that one of the purposes of the board should not be to ignore the wishes of the vast majority of the people listening in, but it should also, in one sense of the word—not in an offensive way, but in a dignified way,—try to stimulate in our people a greater interest in some kind of programs which are not appreciated to the extent we would like to see them appreciated?—A. Yes. I see your point, and the answer is this: we do not intend this suggestion to mean that the commission should concentrate on the production of only the type of program which is bound to be most popular. For instance, a variety of program might, by telephone test, be shown to be the most popular program, but I do not suggest on that account that the commission's program should be made exclusively of variety programs, but rather suggest that a good program schedule should be prepared by the commission and that in each type, a program should not be permitted to stay on the air unless it proves itself by drawing a reasonably substantial listening audience of the people who enjoy that type of program. That is easily discovered. When you get down to a program attracting only 2 or 3 per cent of the listeners then, sir, we maintain that the government which is spending the license holder's money for him on his behalf to supply him with entertainment, is hardly justified in taking the revenues from Canada to cater to the peculiar tastes of a very small minority.

By Mr. Edwards:

Q. How do you determine your listening audience? Is it by fan mail, or what?—A. No. Fan mail is a very erroneous form of test. I believe you had one witness on the stand this morning who identified the hockey broadcasts as being outstandingly the most popular thing on the air. All telephone tests have shown that to be perfectly true; and yet a fan mail test which was attempted, perhaps not seriously, recently by the commission gave this very interesting result: in a list of pretty nearly forty programs, as nearly as I can gather by a fan mail test, the hockey broadcast falls into rather a fifth place, according to this.

Q. Perhaps sports are not fan writers?—A. Apparently. On the telephone test, you get a totally different picture. It is really reliable because you phone people while they are listening. You ask them as a courtesy and for their own sakes to let you know what they are listening to at that moment. If you telephone enough people and ask them that question you get a very accurate break-down of the listening tests at that particular hour of the evening when you make the test. Of course, you can divide that over programs which tend to show types of preference.

By Mr. McIntosh:

Q. Would not that be rather limited?—A. In what way?

Q. Getting in touch with a number of people over the telephone who are listening in?

Mr. CAMPBELL: You just go through the phone book?

WITNESS: Yes. It is really about the cheapest form of test. We have found that it is possible to test by that method for approximately a cent and a half a name. If it had been done on a large scale the cost would be brought down, perhaps, to three-quarters of a cent a name. There is no other known method of test which can be made as cheaply as that.

By Mr. Dupuis:

Q. Do you telephone in one city?—A. Yes, one at a time. We have conducted simultaneous tests in as many as nine cities in Canada.

By Mr. McIntosh:

Q. How many at each point?—A. Depending on the size of the community—I think 300 was the smallest—approximately 300. That would be a relatively small place. In the large cities we would call a thousand in the course of an hour; but we do not actually need as many as a thousand, because our experience has shown that after the first 300 names are counted there is no variation in the percentages from that point up.

By Mr. Dupuis:

Q. When there is a program broadcast over a network of the whole country, do you call all over the country?—A. We believe that this permanent survey should be carried on repeatedly at strategic points throughout Canada.

Q. For instance, we heard one of the witnesses speaking about the higher fidelity in transmission. I understand that this higher fidelity means that the actual sound or music as transmitted at the point of transmission is carried out for long distances according to the number of cycles?—A. Yes.

Q. Now can you control that if it is a nation-wide broadcasting program?—A. This suggested test has nothing to do with the quality of transmission. There again that brings up a point. All problems of transmission according to our recommendation would be transferred back to the department where engineering facilities already exist for controlling such things, because that is an engineering problem, sir, purely and simply.

By Mr. Martin:

Q. What would the survey show about the New York philharmonic?—A. I have never run up against the New York philharmonic on a survey. I have run up against the Boston symphony, and I think they show 6 per cent of all listeners.

Q. That is pretty small?—A. Yes.

Q. And yet it shows the desirability to continue it?—A. In this case it was on a poor evening—it was a Saturday evening—and I do not think that was, perhaps, the best time of the week for a symphony orchestra. I imagine a Sunday afternoon or evening concert would show seven times that.

By Mr. MacKenzie:

Q. You as an experienced advertising man have that opinion that you just expressed a short time ago, that the test was best as you stated?—A. The telephone test—the most reliable. That is the one we use constantly all the time:—

That the sole index of station coverage shall be a perpetual field survey

Now, that is merely a recommendation on my part for the sake of putting both on the same basis. Again this matter of engineering would be out of the hands of the commission if our recommendations were followed:—

That the results of either or both of the above surveys shall be available to private sponsors of broadcast entertainment, at a fee to be determined.

These results should be made available to advertisers or their agents on payment of a fee. We think that would be highly desirable for the sake of assisting the commercial sponsor in putting out the best possible entertainment for the Canadian audience; and similarly the coverage test would be a very great value to the sponsor, and the fees that could be raised from these surveys would help to pay the cost of the surveys.

Witness retired.

[Mr. C. M. Pasmore.]

The CHAIRMAN: I think we have had a very good explanation as to the plan. I would ask Mr. Bannerman to come forward.

GLEN BANNERMAN called.

WITNESS: I would like to have Mr. Pasmore remain here. There are some technical questions which may come up.

By the Chairman:

Q. Is it your intention to read this brief, Mr. Bannerman?—A. That was my thought; and to be interrupted anywhere by the committee.

The CHAIRMAN: I might say that Mr. Bannerman has quite an extensive brief here. I would ask the committee to allow him to read it. If they wish to ask any questions, it is his desire that you do so on any important clause that affects our own system here. I think we should try and confine our questions to that. Is that the wish of the committee?

Some hon. MEMBERS: Yes.

The CHAIRMAN: I guess there is no dissenting voice. Will you go ahead, Mr. Bannerman?

WITNESS: Mr. Chairman and gentlemen, first of all, on behalf of the association which I have the honour to represent, I should like to express our appreciation of your allowing us to come before you. Naturally you have a right to know just whom we represent. Our association is composed of some seventy national advertisers, manufacturers who are national advertisers. If you want me to take the time, I can give you some of the names, or you can see them on the letterhead which is the first page of the brief. The committee of that association, I might say for your information, consisted of Mr. H. H. Rimmer, representing the Canadian General Electric Company, Mr. Charles Shaw of A. Wander Limited, Peterboro; Mr. Claude Watt, General Motors Products of Canada Limited; and of course we had retained in an advisory capacity Mr. C. M. Pasmore of the McLaren Advertising Company who has associated himself with us in the studies which we have made.

By Mr. Martin:

Q. Nobody from Windsor?—A. Oh, yes. In fact, there are two members on the executive from Windsor: Mr. E. F. Millard of the Ford Motor Company and Alex. Millar of the Chrysler Corporation. The president of our association this year is Mr. B. W. Keightley of Canadian Industries Limited. With your permission, I shall read the brief.

A BRIEF PRESENTED BY THE ASSOCIATION OF CANADIAN ADVERTISERS TO THE PARLIAMENTARY

COMMITTEE ON RADIO

PARLIAMENT BUILDINGS,

HOUSE OF COMMONS, OTTAWA.

To be successful, any plan to improve broadcasting in Canada must be designed specifically for Canada, to meet Canadian conditions.

At various times, plans have been suggested which have been copied or adapted from those in use in other countries. Special attention has naturally been given to the broadcasting systems of Great Britain, the United States and Australia. However, all of these systems have been developed to meet special circumstances prevailing in the countries in

which they are used. Actually, none of them would be suitable for Canada because conditions here are basically different from those existing in any of the three countries mentioned. Consequently, such systems could not fairly be expected to be successful here. However, we would like to outline some of the basic elements of the plans in operation in Great Britain, the United States and Australia. We would further like to examine these plans in relation to the conditions existing in the countries which use them. Then, when these conditions are contrasted with the situation existing in Canada, some guidance may be found—at least regarding what should be avoided in Canada.

By Mr. McIntosh:

Q. You are just using the system as a basis of knowledge?—A. Yes, as a basis of comparison.

Q. To build up a suitable system for Canada?—A. Yes.

Great Britain—

The British system is one of public ownership, operation and control of all broadcasting facilities and privileges. This public monopoly is vested in a corporation, owned by the people and supported mainly out of licence fees paid by listeners. In effect it is completely self-governing, excepting that—

- (a) The responsible minister retains the right of veto over corporation programs; and
- (b) In case of national emergency, Parliament may assume full control.

In Great Britain, the area covered is both small and relatively compact. As one result, very few stations are needed to give complete physical coverage of the entire area. As a second result, the land lines required to link these stations into a homogeneous network represent a very small mileage. Consequently, the "physical costs" (that is, the costs involved in physical coverage) are extremely low in Great Britain, and the major expense in broadcasting is the cost of programs. In this respect, the situation in Great Britain is ideally suited to public ownership and operation, since it makes possible a low cost of operation.

In Canada, on the other hand, the area for which coverage is required is much more extensive. In width it is very little greater than the widest necessary zone of coverage in Great Britain. But in length, the Canadian zone is nearly five times the length of the zone of consistent coverage in Great Britain. Consequently, a much greater number of stations would be required to give equivalent coverage in Canada; and a much greater mileage in land lines would be needed to link up those stations for network purposes.

As a result, the total physical costs of equivalent coverage in Canada would be immensely higher than those in Great Britain, even under the most economical system that could be developed here.

Consequently, even with a total Canadian broadcasting expenditure equal to that of Great Britain, a much smaller proportion of the total would be available for programs.

An illustration of this is found in a comparison of actual experience in Great Britain and Canada. In Great Britain, program expenditures amount to more than four-sevenths of total program, physical and administration costs. In Canada, not only private sponsors but the Canadian Radio Commission as well, find that very little more than two-sevenths

[Mr. Glen Bannerman.]

of their total expenditures are normally available for programs when broadcasts are carried over a national network. In this connection, also, it must be borne in mind that in Great Britain the physical costs include the entire cost of operation of all stations; whereas in Canada, only a relatively small proportion of this cost is covered by expenditures of the Canadian Radio Commission and national network advertisers combined. The balance of station operating costs is covered by revenues from local and other spot advertisers, and by station owners themselves.

I might explain what I mean by spot advertiser. It is, in other words, an advertiser who has a program which he wishes to put on the air, and he may decide to put it on a number of stations locally and spot it; in other words, without tying up with a network. That has happened a number of times.

Continuing:—

However, there is another and even more important difference between Great Britain and Canada. In the former country, the population is very dense within the area for which consistent coverage is required. With a population of more than forty millions, a licence fee only twenty per cent higher than the Canadian fee, provides a revenue of more than £3,500,000 (roughly \$17,500,000)—More than ten times the revenue available from licence fees in Canada. Actual expenditures by the B.B.C. in programs, physical costs and administration costs, amount to only about one-half of this total revenue; but the sum actually spent is still far beyond the maximum which Canadian licence holders can be expected to pay.

A third point of contrast between Great Britain and Canada is found in the time element.

Normally, the most expensive programs are put on the air during the one or two mid-evening hours when the largest audiences are at leisure and in the mood for entertainment. In Great Britain these one or two hours are synchronized for all sections of the kingdom. Whatever costly programs are produced during this period, are available to all sections of the country under identical time conditions.

In Canada, on the other hand, there are, in all, five time zones. A feature program designed to be the high spot of the middle evening in the Central Time zone would be dinner music in British Columbia and slumber music in the Maritime provinces. To give equivalent mid-evening service of a one-hour feature program in all sections of the Dominion, would theoretically require five hours of high-cost programs. In practice, this is not literally the case. But even so, the time element provides a very special problem in Canada which does not exist in Great Britain. It actually imposes a much higher program cost and coverage cost than would be necessary to produce the same results within a single time zone.

The fourth and fifth points of contrast between Great Britain and Canada arise out of the fact that until recently there has been little English-language competition for the attention of British listeners. In fact, the British system was developed when English-language broadcast competition was practically non-existent.

The "fourth" point of contrast, which we have mentioned as arising out of this, is as follows:

Until recently, British listeners have had little opportunity to compare their own programs, either favorably or unfavorably, with English-language programs from abroad. In Canada, on the contrary the listener

has been able—from the very first—to tune in the most elaborate and most costly programs that are produced anywhere in the world. We refer, of course, to the productions of the big networks in the United States. Instinctively the Canadian listener sets these up as the official standard of major entertainment quality.

Bear in mind that in the United States an estimated total of \$75,000,000 to \$100,000,000 is being spent annually on programs alone. This, of course, completely dwarfs the maximum total expenditure of the Canadian Radio Commission—which still has to be divided over a great many things other than programs.

Under the circumstances, it is only natural that the British listeners would be relatively well satisfied with whatever standard of program quality the state might be willing or able to set up for them. Conceivably the British programs might be of fairly low entertainment value, and still be quite attractive to a listener who had never heard anything better.

In Canada, of course, the situation is exactly the opposite.

The "fifth" point of contrast, which is closely related to the foregoing, is an apparent contrast in psychology between the British listener and the Canadian listener. It is an important point, because Canada has already adopted a system whose ultimate aim—at least in theory—is complete national ownership and operation of broadcasting, somewhat similar in principle to the British system.

We would first like to point out again that the British system was developed under circumstances which practically disregarded the prospect of serious competition from foreign stations. We would also like to point out that the British precedent of exclusive state ownership and operation carried considerable weight in Canada's adoption of her present system.

One of the most impressive witnesses before the Parliamentary Committee on Broadcasting of 1932 was Major Gladstone Murray, de facto executive head of the British Broadcasting Corporation. It is interesting to recall the evidence of this witness on the subject of competition. It is contained on pages 309 and 310 in Volume 7 of the proceedings of the Special Committee. We do not propose to submit this evidence in extenso unless the present Committee so desires. But the attitude shown and the prophecies made with regard to competition are important in view of recent developments and possible future developments in Great Britain.

Consequently we would like to review this evidence very briefly, before examining a more recent British attitude. The principal facts in this connection were:

That Great Britain's "main consideration" in adopting a completely nationalized form of broadcasting had been to present the use of advertising on the air;

That there was nothing to prevent a British advertiser from broadcasting advertising programs, in English, from the continent, and nothing to prevent British listeners listening to these programs;

That nevertheless, listeners had not paid much attention to such broadcasts;

That direct advertising from the Continent had been a failure; and that the volume of such advertising was then falling off.

That was in 1932—evidence of an official spokesman for the B.B.C.

[Mr. Glen Bannerman.]

In 1936 the picture has almost completely changed. Expenditures by British advertisers using foreign stations to reach British listeners now reach an estimated total of more than \$10,000,000 a year—equalling the total expenditures of the B.B.C. itself, and probably exceeding its expenditure on programs. So great an outlay must have found British listeners, or it would not have justified itself. In reaching the British audience, it has added immeasurably to the quantity and quality of entertainment available to that audience.

By Mr. Martin:

Q. Where do these latter broadcasts emanate?—A. Mostly from Germany, some from Ireland and France.

By Mr. Howard:

Q. The British Broadcasting Company does not cover Ireland?—A. Not the southern part of Ireland. They have a station in Dublin. In that connection I might tell you this: Mr. Carl Dwyer, who was at one time the advertising manager for the Ford Motor Company in Canada became associated with the Philco Radio people and he went to England. It was the custom of the company to use radio broadcasting in the sale of its merchandize. He found that he could not get on the air on the English stations so he took time on the Ireland station at Dublin. He claimed that he increased the sale of his product by some 40,000 units in Great Britain.

By Mr. McIntosh:

Q. You spoke of advertising from the continent. What about advertising within the United Kingdom itself?—A. There is no advertising within the United Kingdom. I might say, however, that there is this provision, when the British Broadcasting Corporation set up their organization there was this provision, that a commercial firm might sponsor a program. In other words, they might simply say that this program is provided through the courtesy of so and so; and they expected to get revenue; but they haven't got any of it.

By Mr. Mackenzie (Neepawa):

Q. How is this advertising by English firms outside of the country done?—A. It is all put on a film in England, then it is sent over to Germany, or Harve, or Dublin and is broadcast from there in English.

But in doing this, it has done one other thing—much more significant. It has effectively nullified the British ban on advertising.

In other words, the objective which Major Gladstone Murray identified as Britain's "main consideration" in establishing broadcasting as a national monopoly—that objective has now been rendered very largely ineffective by the appearance of some \$10,000,000 worth of advertising broadcasts on the British air.

Q. That figure is correct?—A. There might be a variation of half a million one way or another.

WITNESS:

The B.B.C. itself appears to regard this competition as a very serious threat to the continued success of its own nationally operated system. In the report of the Broadcasting Committee of the British House of Commons, presented in February of this year, we find the following clauses:—

It has been widely recognized that the practice of excluding advertisements from broadcast programs in this country is to the advantage of listeners. In recent years, however, this policy has been contravened, and the purposes sought by the unified control of broadcasting have been infringed, by the transmission of advertisements in English from certain stations abroad, which are not subject to the influence of the British authorities except by way of international agreement and negotiation. As long ago as May of 1933 this matter was brought before the Council of the International Broadcasting Union, which passed a resolution to the following effect:—

The Council... holds that the systematic diffusion of programs or communications which are specially intended for listeners in another country and have been the subject of a protest by the broadcasting organization or organizations of that country, constitutes an inadmissible act from the point of view of good international relations. It calls upon the members of the International Broadcasting Union to avoid such transmissions, which constitute an improper use of broadcasting; and it requests the Government Administrations which control broadcasting organizations not adhering to the Union, to take steps so far as may be possible with such organizations in order to induce them also to submit to these principles of good international understanding.

We understand that the Post Office and the Foreign Office take all the steps that are within their power with a view to preventing the broadcasting from foreign countries in English of programs which include advertisements and to which objection has been taken. We approve this policy, but it is obvious that co-operation with all foreign countries is necessary to make the policy internationally effective.

By Mr. Martin:

Q. As a matter of fact it has not stopped it, has it?—A. No, sir.

By Mr. Howard:

Q. They are in the same position as we are with the United States?—A. Yes, to the degree that they have not prevented advertising entirely, so far as advertising is concerned. I think I should take the time of the committee long enough to read an excerpt from the publication *Variety* under date of Wednesday, May 6, in which a correspondent discusses the situation. It reads:

London, April 25th. British Broadcasting Corporation has taken a stand again the employment of British radio and vaudeville talent over the continental commercial stations which sell time space to British advertisers and whose programs broadcast rivalry to the B.B.C., which is strictly non-commercial.

In future all artists contracted with the B.B.C. will have to sign contracts nixing their playing any of the European commercials catering for the British listener. Or else they get washed up with the red tape boys at London headquarters.

Position, generally, is that radio entertainers record on discs in London. These are then sent to the distant sender and are broadcast back to London with a commercial spiel tacked on.

Many local vaude names will be faced with a slice in income or the refusal to broadcast over British net works, with its consequent loss of publicity.

In other words, it is pinching them quite definitely.

[Mr. Glen Baunerman.]

Here is a comment in this report which I would like you to note:—

It should be noted here that not one single objection is cited concerning these programs on grounds of poor quality, lack of entertainment value, poor taste, vulgarity, or any other cultural, ethical or political offensiveness. The only objection cited is that the programs contain advertising. But nowhere from beginning to end of the Ullsworth report is there a single word of explanation, either written or implied, as to why their advertising content should render them unfit for the ears of the listener who deliberately wants to receive them.

Mr. MARTIN: Except the obvious one.

By Mr. Howard:

Q. In that they are better than they are in Quebec just now?—A. I do not know about that.

The Board of Governors of the B.B.C. in its published comment on the Committee's report, endorses the Committee's viewpoint in the following terms:—

The Corporation further notes with satisfaction...that the Post Office and Foreign Office should be active to prevent the broadcasting from foreign countries in English of programs including advertisements.

This casual proposal that an important extra source of entertainment for British listeners should be arbitrarily cut off, exposes what perhaps may be the greatest difference of all between Great Britain and Canada—a difference of psychology. If the British listener will willingly consent to being deprived of the right to choose his own program, his attitude provides a marked contrast with what we would expect from Canadian listeners.

Even granting that such a difference may exist, it is difficult to understand why any man who is considered competent to select his own representative in Parliament should be considered not competent to select his own radio program. The inescapable inference of this theory is that a radio program possesses a much higher degree of importance than a Member of Parliament.

Mr. HOWARD: Hear, hear.

WITNESS:—

Your committee will perhaps sympathize with the Association of Canadian Advertisers in its hesitation to endorse any such amazing theory.

By the Chairman:

Q. You are not serious about that passage?—A. We would not endorse it. In other words, we believe in the freedom of a man to select his representative for parliament.

Q. When you say: "The inescapable inference of this theory is that a radio program possesses a much higher degree of importance than a Member of Parliament," you do not believe that?—A. No, because we say that your committee will perhaps sympathize with the Association of Canadian Advertisers in its hesitation to endorse any such amazing theory.

A sixth point of contrast is found in the language problem. The English language is acceptable in all parts of Britain. In Canada, on the contrary, parallel program schedules in French and English are absolutely

essential throughout a large part of the broadcasting day. It is hardly necessary to emphasize that this introduces an element of unproductive extra cost which the B.B.C. is not compelled to face.

Summarizing the contrasts between Great Britain and Canada, we submit:—

1. That in Great Britain the cost of physical coverage is abnormally low, leaving relatively more money for program purposes. In Canada the cost of physical coverage is abnormally high, leaving less money available for programs.

2. That in Great Britain a large number of licensees, paying a reasonable licence fee, produce a substantial revenue for state broadcasting. In Canada, with only a small number of licensees, the fee would have to be prohibitively high to produce a corresponding revenue.

3. That in Great Britain, uniform time makes it possible to schedule the feature program each evening so as to reach the entire nation at the same peak listening hour. In Canada, the existence of five time zones makes it practically impossible to provide peak service at the peak listening hour in every zone. This could only be done at a prohibitive cost.

4. That in Great Britain—until recently—the comparative absence of high grade competition has left the listener with very little ground for active dissatisfaction with the B.B.C. In Canada, the existence of the keenest competition in the entire world makes the task of the Canadian broadcaster an extremely difficult one.

By Mr. Bouchard:

Q. Is there not in Great Britain a difference in hours with respect to daylight saving time?—A. Yes, there are the same changes for each time zone.

Q. But I mean the summer hour which is not adopted by the rural population. That is another consideration?—A. Yes.

5. That in Great Britain the listeners—who are also the electors—are apparently expected to submit cheerfully if the Government should succeed in obtaining a cancellation of all foreign programs in English which contain advertising. In Canada, any such effort to dictate to the listener in his choice of programs—even if it were practicable—would only succeed in arousing the most intense resentment. But in any event it is not practicable.

Let me give an illustration of that. I remember an occasion some years ago when a particular advertiser who has since learned a great deal more about radio advertising endeavoured to buy the time of all four stations in Toronto so that nobody else could broadcast advertising. He learned to take his chances with the other fellows by putting it all on one station.

6. That in Great Britain, programs need be provided in only one language. In Canada it is compulsory to produce programs synchronously in French and in English during a major part of the daily broadcasting schedule.

The sharp contrast between British conditions and Canadian conditions is much more clearly visible now than it was four years ago. . .

I would like to reiterate that statement:—

The sharp contrast between British conditions and Canadian conditions is much more clearly visible now than it was four years ago, or even two years ago. As it appears to-day, there is hardly a single point

[Mr. Glen Bannerman.]

of similarity between the two countries in the conditions governing their respective broadcasting requirements. In most details, conditions are diametrically dissimilar, as far apart as the poles.

Lacking the experience which has now made this contrast more obvious, Canada four years ago committed herself to a system which copied the British system to the extent of adopting the principle of national ownership and control as its ultimate objective.

The Association of Canadian Advertisers believe that this objective is entirely unsuitable for Canada. We have good reason for believing that it will never function efficiently in Canada. Consequently we urge that it should be abandoned, as an objective, at the earliest possible moment.

By Mr. Martin:

Q. You do not object to control?—A. Oh, no. I think control is important. However, if Parliament should decide against this recommendation, we urge as an alternative that national ownership and operation should be put into effect immediately, regardless of the capital and current annual costs involved.

Our reason for this proposal is as follows:—

For more than five years, the whole business of broadcasting has been handicapped by uncertainty concerning its future. First there was a prospect, based on the Aird report, that both private ownership and broadcast advertising might be almost completely eliminated. Since 1932, public ownership of all major broadcasting facilities has been officially in prospect as an ultimate objective.

Under the circumstances, it is not surprising that the technical development of broadcasting in Canada has been very greatly retarded. Continued uncertainty will only continue to delay this development. Inferior technical equipment imposes a very serious handicap on our engineers, production men, musicians and artists. It definitely reduces the entertainment value of Canadian programs. But we cannot expect stations to undertake costly major developments while there continues to be a prospect that they will eventually lose their licences regardless of the quality of their service to the community.

Consequently we believe that this six or seven-year-old handicap of uncertainty should be definitely removed—either by immediate nationalization of station ownership, or by immediately renouncing this as an objective.

By Mr. Martin:

Q. If you were given assurance that nothing would be done within a certain period, what would you say?—A. That would be a matter of adjustment. I think that is something Mr. Sedgwick can deal with when he comes before you.

Q. Somebody suggested a five-year period after which an attempt should be made to nationalize and centralize the control and ownership of radio. What do you say about that?—A. Our point is, and as we go on with this brief it becomes more apparent, that so far as Canada is concerned, with its smaller population and the tremendous spread, actual national ownership, unless we are prepared to vote it out of the treasury—and I doubt if the members of this committee would think that is the proper thing to do—is a practical impossibility. As we go on you will see our suggestion is that we must retain the cooperation of all forms of commercial broadcasting and commercial sponsorship if we are to do a real job in Canada.

In this connection we would like to point out again:

- (1) That Great Britain's "main consideration" in complete nationalization was to eliminate advertising from the air.
- (2) That it has failed to achieve this objective due to the growing influx of British advertising programs from foreign countries.
- (3) That no such objective is even theoretically possible for Canada, because of the availability of stations in the United States.

From these facts we maintain that the British precedent is of no conceivable benefit for Canada; and may even turn out to be of very doubtful future benefit for Great Britain. Bear in mind—and this is important—that if advertising broadcasts were permitted in Great Britain they could be effectively controlled. Coming from foreign stations, they cannot be censored or controlled in any way. This is our reason for believing that complete nationalization may turn out to be of "doubtful future benefit" even for Great Britain.

By Mr. Bouchard:

Q. What about in case of war?—A. I would hate to try to answer that question. You would probably have the same thing you had recently when Hailie Selassie attempted to broadcast to the world, and another station in another country heterodyned him and prevented him from getting his message out to the world.

By Mr. McIntosh:

Q. You do not think there is any possibility that this advertising in English from abroad could be overcome by international negotiations?—A. I think not, because you are going to find this; commercial firms who after all are in the business of trade and commerce, just as we are, in some form or other, are always on the lookout to get their message to the public as effectively as possible.

Q. But it is a matter of international relations, is it not?—A. It is a question. It is open at the present time.

Mr. MARTIN: Your committee should take that up.

Mr. McINTOSH: Yes.

WITNESS: I doubt very much if France or any other country is readily going to give up a very nice revenue just to ban advertising.

We come now to the United States. The American system is in almost every way the direct antithesis of the British system.

In the United States, the federal government assumes the duty of regulating broadcasting through a commission. This control applies mainly to the issuance and cancellation of station licences; and to the allocation of station channels and regulation of power outputs. Broadcasting is maintained almost exclusively as a commercial enterprise, its revenue being derived from advertisers.

The area of necessary coverage in the United States is many times greater than that of Great Britain. It is even two or three times as great as the area for which coverage is desired in Canada. But contained in this area there is a population three times as great as that of Great Britain, and twelve times as great as that of Canada.

Because of its great area, and because of the consequent high cost of physical coverage, a much higher licence fee would be needed in the United States if it were to follow the British system of national operation.

However, the population is so great and so well distributed that every state provides an attractive market for manufacturers and others. Because of these markets, a sufficient volume of advertising programs has been developed to provide a continuous fund of first-class entertainment for every section of the country.

[Mr. Glen Bannerman.]

In Canada, by contrast, many remote sections are so thinly populated that under present conditions the markets they provide do not justify the physical costs of coverage on a purely commercial basis. In consequence, the tendency of many advertisers has been to concentrate their broadcast advertising on a few of the more densely populated markets which can be covered easily and economically. Even the greatest expenditure that commercial sponsors could afford would not alone be sufficient to provide every part of Canada with a reasonable volume and quality of broadcast entertainment.

Therefore a purely commercial system of broadcasting such as prevails in the United States, would be just as unsuitable for Canada as is the purely nation system used in Great Britain.

We believe that neither of the above systems would be at all satisfactory; and that what Canada needs is a system which will make maximum use of all the revenue that can be raised both from private and from public sources. Even this will be little enough to provide both the desired quality and the desired coverage in broadcasting.

Next we come to Australia. The Australian example has frequently been pointed out as a good one for Canada to follow, since it attempts to solve similar problems of large area and small population.

In Australia, instead of a single system, there are actually two parallel systems in operation—one national, one commercial. These national and commercial stations provide competition for each other; and by this means, moderately satisfactory standards of quality and coverage are maintained. Also, listeners are given the full benefit of all the revenues that can be obtained for broadcasting from every source—both public and private.

By Mr. McIntosh:

Q. A combination policy?—A. Yes.

By Mr. Campbell:

Q. They would have no other programs coming in?—A. No.

By Mr. Martin:

Q. Is there advertising?—A. On the commercial stations.

Q. On the nationally owned?—A. No; on the commercial stations.

For Canada, however, this variety of dual system would not be ideal.

In the first place, the area for which consistent coverage is required in Australia is smaller and more compact than in Canada. Roughly one-third of the total area of Australia lies southeast of a line joining a point midway up the eastern coast of Queensland. The longest diameter of this relatively small area is only 1,300 miles—yet it contains

more than 90 per cent of the mainland population of Australia,
more than 90 per cent of the licensed radio sets; and
more than 80 per cent of the radio stations.

Consequently the essential physical costs of coverage in Australia are potentially much lower than they would be in Canada for equivalent coverage.

Commercial network broadcasts, we are told, are practically unknown in Australia; whereas in Canada such features have been and in future may again be among the most important on the Canadian air. A dual system in Canada consequently would require twin networks of lines and stations.

Twin networks might be practicable in Canada in some of the more densely populated areas. But if Canada were to attempt to establish duplicate networks of lines and stations to serve 90 per cent of the population, there would be very little left for programs. And with duplicate schedules of competing programs required, the problem would be still further complicated.

In the second place, Australia's duplicate system meets a need which is not pressing in Canada. The Australian listener has no alternative source of broadcast entertainment available from foreign countries. If he wants an alternative, he must find it at home. Consequently there is every justification for two separate systems, providing competing entertainment.

But in Canada, with alternative programs already available in wide variety from across the border, there is not the same urgent need for alternative programs of domestic production.

In the third place, the Australian listener is probably reasonably well satisfied with fairly inexpensive programs. When the small total of available money is spread over a variety of synchronous programs, the quality naturally cannot be high. But lacking high-grade foreign competition, the shortcomings of the domestic entertainment are not so noticeable.

In Canada, on the other hand, the high standard of entertainment value set by programs from the United States, makes quality rather than quantity the necessary aim in Canadian broadcasting. Telephone tests prove beyond question that we can reach more Canadian listeners with a few programs of high quality than with a large number of programs of inferior quality. This objective would not be reached by dividing our efforts over two competing network systems.

By Mr. Martin:

Q. It all depends on what you mean by high quality.—A. Taking it on the basis of Mr. Pasmore's evidence, we are using that as something that satisfies the listener who is paying for it.

It will require all our resources, both public and private, to produce the desired standard of quality, even within a single network system.

In this connection, it should be kept in mind that some duplication of programs is already compulsory in Canada, due to the two principal language elements of the population. Consequently, it would be wasteful to attempt to provide still further duplication of programs and networks within either of those languages. Such a policy would definitely prohibit any substantial improvement in average program quality.

In the fourth place, due to its isolation, Australia may have as many stations and as powerful stations as may be required. Canada, on the contrary, is compelled to restrict both the number and the power of Canadian stations by agreement with the United States. This naturally would add to the difficulty of establishing a complete duplication of coverage.

Q. What agreement is that?—A. Covered by the convention which we spoke of this morning.

In addition, a time differential of half an hour covers 90 per cent of the Australian population. In Canada we have a four-hour difference between the Atlantic and Pacific zones. This compels us to spread our peak-hour effort to a much greater extent than is necessary for network broadcasts in Australia. Even one good service covering the peak hours of five time zones will be difficult enough. To attempt two such services, over two parallel networks of publicly owned and privately owned stations, would be prohibitively costly.

Canada

The Canadian situation is thus radically unlike that found in any of the three nations mentioned.

We have higher costs than Great Britain—because of the larger area, five time zones, two languages, and a type of competition which sets a high (and expensive) standard for Canadian broadcasts. But we

[Mr. Glen Bannerman.]

have only a fraction of the licence revenue that is available in Great Britain. Consequently, if the British system is suitable for Great Britain, it is *ipso facto* completely unsuitable for Canada.

We have an area to cover which is at least one-third of the area that must be covered in the United States, and which is relatively much less compact than theirs—hence, proportionately more expensive to cover. Further, our listeners have grown accustomed to the highly expensive broadcasts produced in the United States, and regard these as a normal standard of entertainment. Our problem is also made more complicated and more costly by the necessity of using two languages, and by the existence of an additional time zone. But our population provides less than one-twelfth the commercial market that is available in the United States. Consequently, it is hopeless to expect a purely commercial system in Canada even to approach the success of that system in the United States.

We have higher costs than Australia, due to larger area, two languages and five time zones. But our problem is closer to theirs than it is to the problem of either Great Britain or the United States.

In Canada, as in Australia, there is definite need for making use of all possible revenues for broadcasting purposes—not only revenues from license fees, but revenues from advertising as well. The principal difference between these two countries—in relation to policy—is that Australia must provide quantity whereas Canada must seek to develop quality.

Australia must supply listeners with continuous alternatives in entertainment, because no others are available from abroad. But high quality is not strictly essential, because of the lack of high-grade foreign competition. Hence a dual system of broadcasting in Australia.

By Mr. Martin:

Q. I do not understand that second paragraph.—A. In other words, in Australia in order to provide the listener with a choice they must provide a quantity of broadcasts. They have two systems set up for that purpose. As far as Canada is concerned, in order to retain our listeners in competition with the programs across the line we must try to supply quality rather than quantity. If you will refer to the brief I think you will see that.

By Mr. McIntosh:

Q. Australia is more self-contained?—A. Yes; it is not subject to a neighbour to the south so well organized as we are.

In Canada, alternatives are already available to the listener. But they strike so high a standard of entertainment value that our only hope of successful competition lies in concentrating our resources on quality rather than quantity—at least to a much greater extent than would be either possible or desirable under the Australian system.

It appears to us, therefore, that while the Australian dual system quite properly provides for competition between state broadcasting and commercial broadcasting, Canada should provide for complete co-operation between these two, within the limits of a single nation-wide network system.

We have here a few suggestions as to how this might be accomplished:

- (1) By giving first attention to increasing the quality rather than to increasing the number of broadcasts produced for network distribution.

- (2) By scheduling the major sustaining and major commercial broadcasts so as to avoid competition between them for the listener's attention.
- (3) By spreading out the best of each of these to cover the periods when the largest audiences are available.
- (4) By purchasing land lines co-operatively for the joint benefit of the Commission and of the commercial sponsor.
- (5) By scaling the land-line rates in such a way as to encourage commercial sponsors to use more extensive networks.
- (6) By scheduling network broadcasts in such a way as to reduce to a minimum the charges for reversals.

Let me explain. Only this morning I learned apparently under the commission operations there is no extra charge for reversals; for commercial sponsorship there is, where you have a case of a program partially put out in one place. We had one some time ago where part of a program was put on in Toronto, and a singer in Montreal tying in. That is where the charges come in. Commercial companies are charged for reversals.

By Mr. Ryan:

Q. It is a provision of the contract.—A. Yes.

By these and similar methods it should be possible to send out to Canadian listeners an increasing number of better programs—both sustaining and commercial. But to do a thoroughly successful job along these lines, we will need the highest degree of co-operation between commercial sponsors and commercial stations on the hand, and the Commission or its successor on the other hand.

We believe that this task will be much more efficiently handled if the Commission's efforts are confined to the production and distribution of programs, without giving it any responsibility for the ownership and operation of stations, or for any of the regulatory functions which it has been performing. If it does a first-class job of producing and distributing better programs, in co-operation with private enterprise, it will have justified its existence—at least from the standpoint of the listener, whose money it is spending.

Recommendations

In view of all the foregoing, the Association of Canadian Advertisers joins with the Canadian Association of Broadcasters and the Canadian Association of Advertising Agencies in recommending adoption of a plan which these organizations are jointly presenting here to-day.

Again I would like to reiterate what Mr. Pasmore has said that that plan is suggested as a guidance for your committee. It is our thought as to how it may work. We will be open to question in detail, but the plan in this sense is as a guide and along the lines which from our experience we feel would give effect to those things which we have suggested here today.

The primary aim of this plan is to simplify the work of the Commission in Canada by removing it from the business of operating commercial stations, and by relieving it of its regulatory duties. It would thus be free to devote its full attention to its most important function of producing the best programs possible, and distributing them to the largest possible number of listeners.

A secondary aim of the plan is to promote a more widespread distribution of the better commercial programs throughout Canada. For

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this purpose the plan suggests, in effect, that land lines be purchased co-operatively, and that the rates be graded so as to encourage the use of larger networks. In this connection, we would like to pay tribute to the Canadian Association of Broadcasters, who have already endorsed the principle of giving preferential station rates for network broadcasts, providing that our proposal for a graded scale of line rates is also adopted.

By Mr. Campbell:

Q. You speak of a graded scale of line rates. Is that a submission you made some time ago?—A. Our proposal for a graded scale is here, and we suggest it should be graded, but that is a matter that comes within the bounds of the commission.

By Mr. Martin:

Q. In your second paragraph you refer to simplifying the work of the commission and relieving it of its regulatory duties?—A. At the present time the commission has the regulations of the stations, channels and so forth. I am reiterating what Mr. Pasmore has said. We feel it would help the commission who have been doing that work, if it were cleared of that responsibility and give it an opportunity to concentrate on matters of improving programs, sustaining programs and work in co-operation with private enterprise and commercials.

If these conditions are established, and if the Commission is headed by a man of experience in broadcasting, it should soon be possible to develop a fair volume of commercial broadcasts, of high average quality, over the coast-to-coast network. This naturally would relieve the Commission of much of its present expense. Consequently there would be more money left, to apply to a small number of sustaining programs. This in turn would make it possible either to improve the quality of such programs or to extend the daily service by the Commission beyond its present time limits.

The third aim of the proposed plan is to establish Commission broadcasting on the sound principle that there is only one final judge of the quality or entertainment value of any program. And that is the listener himself. Consequently our plan would take away from the Commission its present responsibility for deciding what types of programs to provide. Instead, this responsibility would be left with the man who is actually paying for the entertainment in his licence fee—the listener. His opinion on all routine programs would be obtained, under the proposed plan, by means of a perpetual survey.

By the Chairman:

Q. You are still of the same opinion as Mr. Pasmore?—A. Yes.

Q. On the best way to take the survey?—A. We have had considerable experience in that with the members of our association. We find it is the only way we can judge our programs.

By Mr. Martin:

Q. Just a moment. You are now touching upon one of the fundamental issues in my judgment. I am not criticizing Mr. Pasmore but I am not altogether satisfied with his answer. You are not going to make a test of the public, because there are various ingenious ways to impose all sorts of programs on the public, and you know the kind of programs to which I am referring.—A. Let me say this: A program which was in bad taste—

Q. I do not mean a program in bad taste; I mean certain types of programs which our people do not want to have, language, methods of speech, and all that

sort of thing.—A. Well, you will be up against this difficulty of course. We can decide as a group that we are going to put out a type of program of a very high quality, and we can go to all kinds of expense in preparing that program, all that is involved in getting artists together, getting the rehearsals and the program ready, but it all seems a tremendous waste after we have conducted that program to find only one or two per cent of the radio people who are paying license fees listening to that program. I imagine you would naturally get in a short time complaints if the program were continued.

Q. Here is what I have in mind specifically: There came over certain stations in western Ontario programs advertising a certain kind of medicine, and it was pure deception?—A. I think you have an entirely different situation there.

Q. That program was very popular?—A. Yes.

Q. And applying your test it would have to be accepted?—A. Let me say this much: If you have deception on the air, I do not care how proper the program is, I would say the regulatory function of the government would control that. Your department would see to that except insofar as you cannot stop United States stations from broadcasting. Do not misunderstand us on that.

By Mr. Campbell:

Q. In other words the group you represent wish to use programs, naturally, that the listener will listen to?—A. Naturally.

Q. Your proposal, I take it, is you feel it is the commission's function to place the educational programs or other programs of a special nature on the air, but Mr. Martin is referring to sustaining programs. Is not that what you mean?—A. I think within a measure that is correct; but I do think this, as an editor makes up his newspaper he provides editorials, sports and a certain amount of entertainment and local news. Radio broadcasting is rapidly reaching that point of view. In other words something was said here about a variety program. One variety program itself may be popular because of something that has come ahead of it, or behind it. But if you had a series of variety programs you would find the whole crop would come down because of lack of listener interest. In other words, it has to be well balanced. Balance would have to be maintained first by co-operation between the commercial sponsor of the radio commission or committee, whatever they set up, to take up the slack time. It should be possible to make up a type of program entertainment covering entertainment hours of the day in which we could feel we would get the largest number of Canadian listeners listening in to those programs.

By Mr. McIntosh:

Q. You are talking about building up a program that will get the greatest number of Canadian listeners. I understand from that, that you accept the viewpoint that quantity of listeners, as it were, is more important than directing the tastes or developing the ideals of those listeners. Developing tastes and ideals is surely fundamental?—A. I agree with you, Mr. McIntosh. It has been our experience that so far as entertainment is concerned, and radio is a matter of entertainment to a large extent, you cannot dictate to the public what they are going to listen to.

By Mr. Campbell:

Q. The man who owns a radio set can do as he wishes?—A. Yes.

By Mr. Martin:

Q. May I make myself clear. This is an important question in my judgment. I think, possibly, one of the dangers of the administration of the radio

[Mr. Glen Bannerman.]

commission has been somewhat along the lines of dictation. That, possibly, was unwise, but there are ways of influencing the public to interest itself in programs that now are not popular but which in the long run will help more to mould national character. Don't you think the test you are laying down is a faulty one?—A. No, I do not; because if this can be made interesting enough to the public, they are going to listen; if not, why spend the money on something the public are not listening to?

Q. But you are dodging the issue, I suggest?—A. I do not think so.

Q. I am not saying that in an unkindly way, because you know me well enough to know that I would not be unkind to you; but I say if this is done carefully and slowly—not trying to impose it on the public—that you can in time temper the tastes of the public and make them different from what they are now?—A. Let me say this. You can take a program that goes on the air, and if you took an immediate survey it might not appear to be a popular program, but after it has been five or six weeks on the air, if it is a weekly proposition, and you find it is going to be unpopular, your survey would help you to reason on that basis. The survey does not say you cannot carry the program on, but that test keeps you informed; it keeps whoever the body is that is concerned with the continuing of these programs informed of what happens. In other words, if a company which is represented by any of the members of our association decides to go on the air, they start their program. They have given a good deal of thought and consideration to the kind of program that is going to secure a number of Canadian listeners, keeping in mind competition with the listeners in foreign countries. When they have done that, in the course of three or four weeks they test by telephone surveys how popular that program is. If it is not rolling in popularity they change the program and provide entertainment.

By Mr. Campbell:

Q. Mr. Martin's proposal would be quite easily brought about in Australia, but I take it that in our position here, if our programs which are put out are not popular, naturally the radio owner is going to turn on American programs, and your survey would probably show them listening in to American stations, and naturally all your efforts would be of no avail.

MR. MARTIN: Mr. Campbell has not seen my point, and you, possibly, have seen it, but you do not want to answer it.

WITNESS: No, no.

By Mr. Martin:

Q. What you have suggested in this second paragraph is that the test shall be acceptance of the programs by the public?—A. Yes.

Q. I am suggesting to you that as long as you have what are now recognized as popular programs the public will always like them, but if you do not take means to cultivate the public's tastes the present standard will always be the standard.

By Mr. MacKenzie:

Q. Take the case of the philharmonic programs which commenced a few years ago. Of course, my experience is not awfully wide, but among the number of people with whom I have spoken there are a number of people who did not listen in at the beginning but, later, in recent months, I understand, an increasing number of people are enjoying those programs?—A. I would not know that; but this is what would happen in the case of putting a survey on that. If you found after the first four or five weeks that there was a certain listening audience popularity to a program and you tested again and it was increasing, I know it would suggest to a commercial sponsor that he should continue that program.

Q. I do not think it would build up in four or five weeks?—A. You have to follow it through.

By Mr. Campbell:

Q. The commercial sponsor—the people you are representing—judge naturally on the value they are going to get out of a program?—A. On how many people listen.

Q. And it does not matter what regulations we bring in, we could not force you?—A. No.

Q. My understanding of what parliament is trying to do is that it is trying to provide radio entertainment for a great number of Canadian listeners.

Mr. MARTIN: That is one thing; but we have recognized this, that the radio is the most powerful instrument in the moulding of national character.

WITNESS: Provided it is listened to.

Mr. MARTIN: If I ask you which was liable to have more lasting effect upon our people, a program such as, let us say, the philharmonic, or some of the very cheap things, there is no question what your answer would be. Now, do you not think—pull yourself out of the fact that you are in the advertising business—I am not being critical, I am trying to get a suggestion—do you not think that really having in mind the great trusteeship of radio, we should try to devise some thing that is going to satisfy the kind of sponsor you would get from a very high type of program, and in doing that certainly you must reject your proposal.

WITNESS: No. If you have a program such as the philharmonic and you have a good listening audience to it then you are accomplishing your objective if you find it builds up a good listening audience; but if you put on such a program and you are only getting one or two per cent of the people who pay their licences, no matter how carefully you regard this heritage which we have, you are not getting it to the people.

Mr. MARTIN: You can, but in time.

By Mr. Ryan:

Q. The question is who is going to decide who is going to mould the character?—A. Yes. You have this condition that these surveys simply provide you with adequate information. Now, then, if the governing body decides that in view of what they saw they still ought to continue the philharmonic program if they found that its popularity has increased, yes, but after they have done that for a year or so and it starts to decrease, what would you suggest?

Mr. MARTIN: I enjoy Amos and Andy more than any program, but I realize it is a bad thing for me.

The CHAIRMAN: I think we had better allow Mr. Bannerman to proceed because it is getting on towards 6 o'clock and he will be here to-morrow and can answer any questions you may want to ask.

The above suggestion applies, of course, only to routine broadcasts. Broadcasts which are deemed to be of national or international importance, would naturally be given precedence over all routine broadcasts, both sustaining and commercial. In this connection we would like to point out that our membership is heartily in agreement with the Commission in according precedence to events of public importance. In the days when many of our members were sponsoring programs, they repeatedly and readily surrendered their time-on-air so as to permit the broadcasting of such events.

[Mr. Glen Bannerman.]

To summarize: The three principal aims of the proposed plan are:—

1. To simplify the duties of the Commission so that it can concentrate on producing and distributing better programs.
2. By co-operation with commercial interests, to develop more widespread distribution of better commercial broadcasts.
3. To make the listener the final judge of quality in all regular broadcasts.

As the details of the plan have already been explained to you, it will not be necessary for us to add anything further on this subject.

However, as representatives of the majority of national advertisers in Canada, we would like to add a word on the general subject of broadcast advertising. We realize that there are people who regard commercially sponsored programs as being detrimental to public interest. Their views have been expressed before previous Committees of Parliament. We feel certain, however, that such views are not held by any large proportion of the public. If they were, there would be an agitation against all forms of commercial publicity. Canada has been built upon the trade and commerce of her people. She prides herself on being one of the largest international traders of the world. The citizens are quite accustomed to the sight of newspapers and magazines which, in effect, are commercially "sponsored" by the advertisers who use their pages. Consequently there is no real reason for believing that Canadians would take exception to the sponsorship of broadcast entertainment by those same advertisers. In fact, we know very definitely, from hundreds of thousands of letters, as well as from surveys, that the listeners have the most friendly feeling towards the sponsors of their favourite programs.

Admittedly, broadcast advertising should be honest, restrained, and in good taste. This, however, can be sufficiently assured by regulation. And of course it is better to have the advertising reach the listener from a Canadian station—on which it can be regulated—than from a foreign station which cannot be controlled by Canadian regulations.

The Association of Canadian Advertisers agrees that reasonable regulation of types and amounts of advertising is necessary but believes that such regulations should be prepared in consultation with such representative bodies as the Canadian Association of Broadcasters, The Association of Canadian Advertisers and The Canadian Association of Advertising Agencies, who have, of necessity, as much concern with the interests of the listener as have the Canadian Radio Commission.

We also believe that it should be made possible for the Department in charge of broadcasting regulations to permit the mention of prices on the air. The effect of this could easily be tried experimentally, and with proper limitations. In justification of this request, we would like to point out that price of an article is one detail about it which cannot be distorted or falsified, and which cannot under any circumstances be considered offensive or in bad taste.

In considering these recommendations, we hope that you will keep in mind the fact that our interest in broadcasting is absolutely parallel with the interest of Parliament. In our case, as in yours, it is highly desirable that listeners should be attracted to Canadian stations, broadcasting Canadian programs. It is just as important to the national advertiser as it is to the legislator to have the listener enjoy these programs. We are just as anxious that he should not be offended by unpleasant advertising or tricked by false advertising or bored by too much advertising—because any of these things would react against all advertisers.

In conclusion, may we offer our hearty co-operation with your Committee in any manner which you may desire; and may we also tender our sincere thanks for your courtesy in providing us with this opportunity to submit our views.

GLEN BANNERMAN,
Chairman.

Committee:

H. H. RIMMER, Cdn. General Electric Co. Ltd.
C. SHAW, A. Wander Ltd.
C. WATT, General Motors Products of Canada Ltd.
C. M. PASMORE, MacLaren Advertising Co. Ltd.

By Mr. Campbell:

Q. Do you find, Mr. Bannerman, that the costs are a little too high for line stations?—A. Yes.

Q. I am speaking generally?—A. Yes; in relation to the return which it is hoped to get.

By the Chairman:

Q. Will you be here tomorrow?—A. Yes.

The CHAIRMAN: May I suggest to the committee that we have Mr. MacLaren here who will only take about five minutes. I understand that Mr. Bannerman will be here tomorrow so we can have him at any time. Is it the wish of the committee that we should hear Mr. MacLaren? He wants to get away tonight.

Some Hon. MEMBERS: Yes.

Witness retired.

JOHN A. MACLAREN called.

WITNESS: Mr. Chairman and gentlemen, Mr. Adam Smith of R. C. Smith & Son, Toronto, and myself are representing the Canadian Association of Advertising Agencies. This brief only takes half a dozen pages so I will read it. It is simply an endorsement of the basic plan which was submitted by Mr. Pasmore, so I think I should just go ahead, with your permission, and read it.

The CHAIRMAN: Go ahead.

WITNESS:

The Canadian Association of Advertising Agencies is a non-political, non-profit organization. Its membership includes all but a few of the recognized advertising agencies operating in Canada. Its prime purpose in organization is to raise the standard of advertising practice among its members. Under normal circumstances, therefore, it would not be a function of this association to advocate either public or private operation of radio broadcasting in Canada.

However, it appears that the decision of Parliament, with regard to the future of radio broadcasting, is certain to affect the interests of members of this Association, and of their clients. Consequently it has been pleased to co-operate with the Canadian Association of Broadcasters and the Association of Canadian Advertisers in developing a plan which we believe will provide the most practical solution of the many problems involved.

This present brief, therefore, is advanced as an endorsement of the plan already submitted to your Committee under the title: "A Plan of the Reorganization of Broadcasting in Canada." This plan in effect proposes

[Mr. J. A. MacLaren.]

a continuance of the general principle already established in Canada: namely, a system of broadcasting which provides listeners with programs produced and distributed at public expense, as well as with programs produced and distributed at private expense for advertising purposes. We believe that this general principle should be continued—not because we consider it to be a normal function of a Government to participate in the entertainment business; and not because we consider broadcasting an indispensable medium of advertising; but for special reasons which apply specifically to the situation in Canada. For example:—

1. Neither the present revenue from licence fees nor the present expenditure by commercial sponsors is alone sufficient to produce a satisfactory volume of broadcast entertainment in Canada.
2. The availability of advertising broadcasts from stations in the United States would constitute unfair competition for the manufacturers and producers of Canadian products, if these were denied access to the "air" as a medium of advertising.
3. The benefit of governmental participation in broadcasting has been particularly evident in the more remote districts, in which commercial broadcasting is less justifiable economically.
4. The precedents of Government participation and of commercial participation in broadcast entertainment have already been established. To abandon either of these would substantially decrease the volume and quality of broadcast entertainment available to Canadian listeners.

If the primary object of Government participation in broadcasting is simply to ensure more and better broadcast programs for a larger number of Canadian listeners, then it seems reasonable to assume that the best results will be obtained by confining the activity of the Canadian Radio Commission (or its successor) as closely as possible to program production. In order to make this possible, the plan suggests that the functions of Government in broadcasting should be divided into Regulatory and Operative functions. The former of these, the Regulatory function, in the past has been completely and at present is still partly a function of the Department of Marine. The machinery necessary for the performance of this function already exists in that department. Consequently, we believe that all regulatory functions might well be returned to that department, if only for the sake of economy.

We further believe that such an arrangement would be advisable also for the sake of greater efficiency. An organization which is most efficient in producing and distributing broadcast programs is not necessarily at all efficient—and may even be decidedly inefficient—in the allocation of station channels, the technical regulation of station operation, the conception and enforcement of regulations affecting advertising and program content, etc.

With the technical regulatory functions re-assigned to the Department of Marine, the Commission (or its successor) will be free to do the most effective job of providing a variety of sustaining programs across the Dominion.

We believe that in whatever it may do to supplement commercial broadcasting in supplying entertainment to Canadian listeners, the Government should not compete with private enterprise either in producing and distributing commercial programs, or in selling station time for the use of commercial sponsors. For this reason we strongly endorse the recommendation of the above plan which would prohibit federal ownership or

operation of commercial stations in Canada. We believe, however, that it should co-operate to the fullest possible extent with private stations, with the single object of ensuring that the largest possible volume of the best possible entertainment may be broadcast to the largest possible number of Canadian listeners.

We would like to draw attention to the fact that the Plan under discussion suggests a Board of Directors or Governors, including representatives of the Department, the station owners, the principal sponsors of commercial programs, the line companies, and various representative public groups. It is not suggested under this plan that it should include a representative of the advertising agencies, who are normally responsible for planning and producing the commercial programs sponsored by national advertisers. This omission has been deliberate, in view of the recommendation that the Government (through the Canadian Radio Commission or its successor) should not participate in broadcasting on a commercial basis. However, if Parliament should decide that the Commission should continue to participate in commercial broadcasting, either through the ownership or operation of stations, or through the sale and operation of commercial networks—in such case, we believe that it would be logical and reasonable to include a representative of the Canadian Association of Advertising Agencies in the Board specified in Clause V of the plan.

Similarly, if any part of the Government's regulatory functions in broadcasting should be allocated to the Commission or its successor, we believe that because of the highly special problems involved, a representative of the Canadian Association of Advertising Agencies should be included on the Board.

We cannot too strongly endorse the recommendation contained in Clause VI of the above plan, to the effect that the General Manager shall be a man of extensive practical experience in every department of broadcasting, and that he shall be assisted by a sufficient staff of expert broadcast specialists. If the most effective results are to be obtained from a system of broadcasting which embraces both public and commercial broadcasting, then there is the utmost need for intelligent co-operation, as well as friendly co-operation, between the two contributing parties. This naturally would not be possible unless the General Manager were possessed of considerable practical experience in broadcasting—including commercial broadcasting.

Notwithstanding the fact that we do not ask representation on the proposed Board of Governors, this Association believes that its co-operation should be sought by the Board, or by the General Manager, in connection with the proposed perpetual survey of listener habits. We concur most heartily in the opinion that such a survey is the only practical guide to public preference in broadcast entertainment. However, the experiences of our individual members have shown that unless such surveys are expertly designed and operated, they are apt to produce a distorted result. This Association therefore suggests that before any such survey is put into operation, a special committee should be appointed to study all available experience, and to draft a recommendation as to procedure. We believe that such a committee would appropriately include a representative from the C. A. A. A. as technical adviser. This will be particularly advisable if the results of the proposed survey are to be made available—at a price—to Canadian advertisers and their agents.

In the matter of land lines for broadcast transmission, this Association again concurs most definitely in the suggestion that the Radio

[Mr. J. A. MacLaren.]

Commission (or its successor) should arrange to sell land line time and mileage to commercial sponsors and/or their agents, at retail, at a standard graded scale of rates. If the suggested procedure is adopted, the Commission buying lines at "wholesale" on long term contracts and selling at retail on such a scale, graded according to time and aggregate mileage, there is no risk of loss to the Commission, but rather an opportunity for profit. And by this means—which will permit coverage of the markets of Canada at land line costs proportionate to their potential value—the commercial sponsor will be encouraged to use national networks in place of restricted networks. By this means, he will make an increased contribution to the total of Canadian broadcast programs available to listeners in remote localities. It should also be pointed out that a properly graded scale of line rates will further contribute to the quality of commercial broadcasts, by permitting a higher proportion of the advertiser's total radio budgets to go into talent, arrangements, and rehearsals.

Since the Government's entire revenue for broadcasting purposes is derived from listeners, we naturally assume that the Government's prime object should be to make sure that the maximum volume of the best available broadcast entertainment will be provided for the largest possible number of listeners. In this connection we cannot concur in the arbitrary restrictions which have been imposed on the use of electrical transcriptions prepared specifically for broadcast purposes. We would like to draw a sharp line of distinction between such transcriptions and phonograph records. Electrical transcriptions for broadcasting to-day provide some of the most elaborate entertainment that can be heard on the air. The quality of transcription to-day usually closely approaches, and in many cases actually exceeds the average quality of "live" broadcasts. Undue restriction in the use of such transcriptions consequently imposes an arbitrary and totally unnecessary limit upon the quantity and quality of first-class entertainment available to Canadian listeners. In addition, it imposes an unfair handicap upon the commercial sponsor who may be unable to afford first-class entertainment on a national basis through "live" broadcasts; and may thus prevent him from contributing to the total volume of desirable entertainment on the Canadian air.

As the responsible advertising agents of the national advertisers of Canada, we have naturally considered the interests of our clients in the above recommendations. We would like to point out, however, that in these recommendations the interests of our clients are not at any point in conflict with the interests of Canadian listeners. The reason for this is quite simple and logical. To be successful, any programs which our members broadcast on behalf of their clients must be attractive to the listener. If they should fail in this, they would not have an audience, and the broadcast advertising which they contain would be lost. Similarly, such programs must not be in any way offensive to the listener. If they should err in this respect, they would only succeed in building up a definite prejudice against our clients, which would result in loss of business. Consequently, even although our business interest in broadcasting is admittedly purely commercial, our aim is absolutely harmonious with what we conceive to be the aim of Parliament: namely, to provide the greatest possible volume of entertainment, and the best possible quality of entertainment, to the largest possible number of Canadian listeners.

We submit that this objective can be attained only through adoption of the basic elements of the plan which is jointly advocated by the Canadian Association of Broadcasters, the Association of Canadian Advertisers, and the Canadian Association of Advertising Agencies.

By Mr. Campbell:

Q. You have had experience no doubt in the selling of network advertising in the United States as well as here, haven't you?—A. Only in connection with the General Motors hockey broadcasts, that is in connection with the play-offs in Boston, Detroit and Chicago.

Q. You are not prepared to make any statement with respect to that?—A. We have no specific experience with any of the networks in the United States.

By Mr. McIntosh:

Q. On page 5 you speak about these associations and suggest, before any such survey be put into operation a special committee should be set up. What would be the completion of that special committee?—A. Where is that, on page 5?

Q. On page 5, Mr. McLaren. I would like to know what your idea is on the makeup of that special committee?—A. It would be a special committee of the directorate. The suggestion is, of course, that a man with real experience in work of this character, a man who is connected with advertising through an agency should be operating in an advisory capacity.

Q. To be appointed by whom?—A. By the Commission.

Q. By the Commission?—A. Yes.

The CHAIRMAN: Now gentlemen it is five minutes after six, and we have had a pretty full day's work.

Mr. DUPUIS: Just before we adjourn, Mr. Chairman, might I be allowed? Since we will be through with this testimony very soon, on Thursday I think you said.

The CHAIRMAN: I think we will be through tomorrow.

Mr. DUPUIS: If we have to look into the administration of the Commission I would like to have certain documents available for the time when we have the officers of the Commission here. For instance, I would like to have the minute books and the ledger of the commission covering from 1934 to date. And also the vouchers and receipts from the different stations in Canada. I understand that all these vouchers and receipts, and especially the minute books of these different stations have been forwarded to the commission. I would like to have them here, and that is why I am giving notice of my desire to-day.

The CHAIRMAN: Mr. Charlesworth, have you those accounts?

Mr. CHARLESWORTH: I do not think we have the vouchers and receipts of the stations, but we may have the accounts at headquarters here. The vouchers and receipts are in the Auditor General's department.

The CHAIRMAN: Have you anything in your office in the shape of books or anything?

Mr. CHARLESWORTH: We have the ledgers. If we have to take our books out of the office it is going to handicap us very much.

The CHAIRMAN: Of course you can take them—.

Mr. CHARLESWORTH: You want the 1934 accounts, do you, Mr. Dupuis?

Mr. DUPUIS: For instance, have you got anything that relates to the stations in Quebec, Montreal and Toronto?

Mr. CHARLESWORTH: We have the record of the payments to these stations in our ledgers. The vouchers and that sort of thing are all with the Auditor General's Department.

Mr. DUPUIS: Have you anything by way of record in your ledgers to show the reason for payment?

Mr. CHARLESWORTH: I think so, yes. Mr. Shaver could tell you that.

[Mr. J. A. MacLaren.]

Mr. SHAVER: I just do not know what you want. We have the vouchers for 1933, 1934 and 1935.

Mr. DUPUIS: Let us begin with the ledger, Mr. Chairman, if it indicates the reason for payment.

Mr. CHARLESWORTH: Mr. Shaver represents the comptroller of the treasury. Our bookkeepers are really under the control of the Treasury Department.

The CHAIRMAN: Mr. Shaver, are you able to produce what Mr. Dupuis has asked for? Will you get in touch with Mr. Dupuis and find out exactly what it is he wants, and if it is possible for you to do so please produce it?

Mr. SHAVER: I will see what can be done.

The CHAIRMAN: And will you be kind enough, gentlemen, to be in your seats at half-past ten tomorrow morning. If you do that I think probably we will be able to get through with the evidence.

The committee adjourned at 6.08 o'clock p.m. to meet again tomorrow, May 14, 1936 at 10.30 o'clock a.m.

APPENDIX No. 5

MEMORANDUM BY THE CHAIRMAN

The brief submitted to the Special Committee on Radio by the Musicians of Montreal, Local 406, represented by Mr. S. B. Dunlop, supplemented a brief submitted by Mr. Walter Murdoch, Chairman of the Radio Committee of the American Federation of Musicians in Canada, was misleading in the sense that it made allusion only to a conference on wage schedules which took place in the offices of the Canadian Radio Broadcasting Commission at Ottawa on August 11, 1934, and which was presided over by Colonel Steel. This conference was but an aftermath to a conference held at Ottawa on July 10 and 11 of the same year relating to all matters connected with the general strike called by the American Federation of Musicians in Canada on June 15, 1934. The latter conference was presided over by the Chairman and matters were dealt with which had a very important relation to subsequent events.

In the submission made to the Committee on May 5 last the main complaints of non-cooperation and bad faith on the part of the Radio Commission related to incidents at Montreal. Mr. Murdoch speaking as representative of all the International Musicians Unions in Canada presented no complaints except one or two of incidental or general nature. Since the Commission has had a great deal of correspondence with Mr. Murdoch as to disputes in a great many of the American Federation centres in Canada, it is evident that in practically every instance the Commission has shown a spirit of conciliation and co-operation which has lead to satisfactory conditions for everyone. Contained in this submission are reports from Colonel Steel, who outlines the proceedings in connection with the conference as to wages on August 11, 1934, and also memoranda from Mr. Arthur Dupont, Director of Broadcasting for Eastern Canada, who has direct supervision of Montreal programs, and Mr. E. L. Bushnell, Director of Broadcasting for Ontario and Western Canada, who deals with the other questions raised. Attached to Mr. Dupont's memorandum are certain letters which passed last summer between Mr. Charlesworth, Chairman of the Canadian Radio Commission, and Mr. J. N. Weber of New York, President of the American Federation of Musicians, dealing with several of the questions raised by Mr. Dunlop. From all this correspondence it is obvious that the Commission has acted in good faith in its dealings with the International Unions throughout.

The strike, which began at Montreal on June 10, 1934, was but the climax of a series of disputes which occurred in the previous winter in which the International Union had taken the position that the Commission had no right to employ musicians who were not members of that organization on any of its stations. In April what seemed to be a serious crisis arose at Toronto in connection with the appearance of a juvenile violinist on the air at its Toronto station. This gifted child was too young to be a member of the union and had been accustomed to practise with his mother. When he was engaged to play on a Commission network program he naturally wished that his mother should be at the piano, but the International Union objected to this on the ground that the mother was not a union member, and said that if she were employed the Commission should engage a union member as a stand-by to receive pay for accompanying the lad even though no service was rendered. The Commission refused to concede this and threats of a general strike were then made. The legal representative of the International Unions came to Ottawa and in a lengthy

discussion informed the Chairman of the fact that the organization he represented would insist that only members of it be employed on the Commission network and Commission stations in future. Matters remained at a deadlock until June 7 when Mr. Dupont, who was in Montreal, advised the Commission that unless union wages for orchestral musicians on station CRCM were within forty-eight hours raised 25% a strike would be called. There having been no conference with the Commission on this question and as yielding to such a demand would have increased expenditures at Montreal to the extent of hundreds of dollars per month the demand could not be granted and on June 10 a strike was called by Montreal Local 406. The Commission proceeded to arrange for programs with members of the Canadian Union affiliated with the All Canada Congress of Labour which in Montreal contains many musicians of admirable quality. On June 13, Mr. Walter Murdoch called the Chairman by long distance telephone from Toronto and said that if the Montreal demands were not met immediately he would "pull the works" on the Commission. Asked what that meant, he said that he would call a general strike. The Chairman replied that the Commission could not tolerate stand and deliver methods of this kind with the result that a general strike was called taking effect at midnight on June 15.

Outside the city of Montreal none of the International Union musicians employed by the Commission in various Canadian cities were consulted and they were deprived of employment by orders of their union without any knowledge of the actual questions in dispute. The Commission managed to carry on its programs without assistance of the International Union for a period of four weeks. In Toronto, which is very heavily unionized, it was necessary to curtail or abandon orchestral performances almost entirely, but in Montreal where the Canadian Union is of considerable extent very good results were obtained. Efforts on the part of Canadian International Unions to induce the American Federation to bar United States programs used in exchange from being heard in Canada failed, but on July 7 the Chairman, learning that some of the International Union orchestral musicians in Toronto who had rendered faithful service to the Commission were in distress, decided to invite Mr. J. N. Weber, President of the American Federation of Musicians, to Ottawa to discuss the whole question and ascertain what settlement could be arrived at. Mr. Weber was informed in advance that the Commission could not under any circumstances consent to an arrangement where it would exclusively employ members of the International Union. The Commission took the position that as an agency of the Crown it must deal with all musicians on the same basis. This was the position taken by Honourable James Murdock at a time when he was Minister of Labour in connection with a dispute among the employees of the Printing Bureau. Mr. Weber came to Ottawa accompanied by a number of representatives of the Canadian Unions of the American Federation of Musicians and the question was thoroughly thrashed out in two conferences which occurred on July 10 and July 11. The outcome of these discussions was embodied in a statement given to The Canadian Press at noon on July 11, prepared jointly by Mr. Charlesworth and Mr. Weber, text of which follows:—

Differences between the Canadian Radio Broadcasting Commission and the Canadian unions in affiliation with the American Federation of Musicians were finally ended to-day and the foundations laid for friendly and candid relations in the future. This means the end of the musician's strike which began at Montreal on June 10 and which was extended throughout Canada at midnight on June 15. Solutions of an amicable character were arrived at after lengthy discussions in the offices of the Commission at Ottawa, which began Tuesday afternoon. These were attended by Joseph N. Weber, the veteran president of the American

Federation of Musicians, who came from New York attended by Bert Henderson, Canadian Representative in the President's office of the A.F. of M. Others present were Walter Murdoch, Chairman of the Radio Committee of the unions affected and President of the Toronto Musical Protective Association, and union representatives from Montreal, Ottawa, and Hamilton.

Mr. Weber's attitude was most conciliatory and after initial discussions the meeting settled down to the consideration of wages. The Chairman made it clear that it had always been the policy of the Commission to pay the union scale and that this policy would be continued. It was also made clear that the Commission, while it had no desire to destroy the unions affected or to raise up rival unions in opposition to them, as an agency of the Crown could not deal exclusively with any one organization or group of individuals. Assurances were given by the Commission that there would be no attempt to penalize musicians who had gone on strike. The Commission requested that in future should any differences arise friendly discussion should take place before action is taken. This was readily agreed to. The Commission agreed to gradually restore to the air the striking musicians as need for their services might arise.

July 11, 1934.

Mr. Weber, though he had consented to the principle of open shop was extremely anxious that such a phrase should not be used in any statements made to the public as it would possibly injure his prestige with the American Federation of Musicians in the United States, and the Chairman made a request of The Canadian Press that its membership be asked to void the use of this phrase in headlines and "rewrites" of the announcement. Wage scales were not discussed at the initial conference, but it was agreed that the Radio Committee of the International Union under the chairmanship of Mr. Murdoch should prepare schedules for discussion at a future date. This discussion took place on August 11 as stated in Colonel Steel's memorandum, the Chairman being at that time absent on vacation.

During the lengthy discussions with Mr. Weber on July 10 and 11 the position of the Canadian conductors at Montreal who had served the Commission during the strike was discussed at some length. Mr. Weber was anxious that these conductors should be excluded from the air in perpetuity but the Chairman absolutely refused to consent to such a request as it would have been in direct violation of the open shop understanding already arrived at. He did undertake that the striking conductors should be brought back on the air as soon as possible, which would naturally mean less work for the conductors who had been employed during the strike. Special representations were made by Mr. Weber with regard to Mr. Howard Fogg, one of the most eminent conductors of Montreal. Mr. Weber stated that he had evidence from "under cover men" that Mr. Fogg had been guilty of unethical practices during the strike in exacting from the musicians under him rebates of pay to himself. Asked by the Chairman what he meant by "under cover men" Mr. Weber said these were secret agents of the American Federation of Musicians who joined up with non-union organizations in order to furnish information to the International body. The Chairman said he could not accept the evidence of "under cover men" whom the ordinary individual would regard as spies, unless it was presented in the form of sworn evidence. Mr. Weber objected to this on the ground that to exact sworn evidence from his "under cover men" would reveal their identity. The Chairman said he was willing to preserve confidence as to the identity of such secret agents and that if the evidence presented by them was satisfactory to his judgment Mr. Fogg would not on any future occasion be employed by the Commission.

No such evidence was ever forthcoming and there the matter ended. So far as the other conductors, N. de Silva, A. Roberval, and Julius Romano were concerned, it was pointed out that Mr. Roberval's services would terminate shortly in any event; with regard to the others, while it was agreed to give opportunities to conductors associated with the International Union no undertaking was given that these men would be kept off the air in perpetuity. In the memorandum prepared by Mr. Weber after he returned to New York and shown to the Committee by Mr. Murdoch, it is quite clear that Mr. Weber, who is of advanced years, was rather confused as to what actually had been undertaken. For instance, it is stated that the Chairman agreed that Mr. de Silva would be eliminated for the reason that the Chuhaldin Quartette would early assume its former position on the radio programs. There is not nor was there ever a Chuhaldin Quartette, but a distinguished orchestra under the direction of Mr. Alexander Chuhaldin has been almost constantly employed at Toronto on Commission network programs. The position of Mr. Chuhaldin had nothing whatever to do with that of Mr. de Silva at Montreal as his program was entirely a Toronto contribution. Mr. Chuhaldin's resignation from the International Union was filed on July 10 while the conference was in progress and any discussion with regard to him was with reference to his reinstatement, which was arranged.

It is interesting to note that while relations between the International Union and the Commission are on Mr. Murdoch's own admission satisfactory at nearly all other centres except Montreal, Montreal happens to be the point where the Canadian national union is strongest. Obviously the root grievance at Montreal, though not admitted in the memorandum submitted, is that the Commission has recognized the Canadian national union.

BY LT. COL. W. A. STEEL

CANADIAN RADIO BROADCASTING COMMISSION

OTTAWA, May 9, 1936.

DEAR SIR,—The following statement deals solely with the conference held on August 11, 1934, in connection with certain matters pertaining to our relations with the various musical unions in Canada. Other matters pertaining to this general question have been answered in the Brief submitted by the Chairman and by Messrs. Bushnell and Dupont of our program staff.

The meeting held on August 11th was to discuss in detail the rates to be paid at our various stations throughout Canada. The organisation of this meeting was left in my hands, due to the fact that Mr. Charlesworth who had been Chairman of the original meeting in July was absent on leave.

The attached minutes cover fully all points discussed at this meeting, together with all decisions reached, and I feel that these minutes are in themselves a complete answer to the various points which have been raised by Messrs. Murdoch and Dunlop with regard to this particular meeting. A copy of these minutes was forwarded to Mr. Murdoch on August 16th, and he did not take any exception to any of the statements made therein.

There is only one point which requires any further comment. One of the main points at issue was the question of the length of rehearsals. The minutes show very clearly that Mr. Murdoch himself suggested that the leader of an orchestra or band had a perfect right to rehearse his orchestra or band as much as he felt like doing, provided these extra rehearsals were carried out at points outside the studios. This was the first occasion upon which that admission was made to the Commission or any of its staff, and it completely cleared up difficulties which had been occurring in various parts of Canada.

The Commission has been very careful to adhere to this arrangement at all points in Canada at which programs are originated.

Yours very sincerely

W. ARTHUR STEEL

(W. Arthur Steel) *Lieut. Col.*
Commissioner.

A. L. BEAUBIEN, Esq., M.P.,
Chairman,
Special Parliamentary Committee
on Radio Broadcasting,
Ottawa.

OTTAWA, August 16th, 1934.

File No. 6-1-2

DEAR MR. MURDOCH,—I am attaching herewith a copy of the minutes of the meeting which took place on Saturday morning in our office.

I think this pretty thoroughly covers the points discussed. If you are in agreement, perhaps you would be good enough to approve of these in writing at your convenience.

Yours very sincerely,

(W. Arthur Steel) *Lieut. Col.*
Commissioner.

W. M. MURDOCH, Esq.,
President,
Toronto Musical Protective Association,
402 Metropolitan Building,
Toronto, Ontario.

Enclosures.

MINUTES OF A MEETING OF THE REPRESENTATIVES OF THE
INTERNATIONAL UNION OF MUSICIANS HELD AT THE
OFFICES OF THE RADIO COMMISSION, NATIONAL
RESEARCH BUILDING, OTTAWA, ON
SATURDAY, AUGUST 11, 1934

Those present were: Mr. Walter Murdoch, Professor W. J. Dunlop, Mr. Vandermerchomp, Mr. E. Johnson, representing the Union, and Lt.-Colonel W. A. Steel, Commissioner, Lt.-Colonel R. P. Landry, Secretary, E. L. Bushnell, Director of Broadcasting, Western Division, J. Arthur Dupont, Director of Broadcasting, Eastern Division, representing the Canadian Radio Broadcasting Commission.

At 10.50 a.m., the discussion opened.

Lt.-Colonel Steel expressed the view that he understood the meeting had been convened in order to discuss mainly the Union rates to be adopted for all locals throughout Canada, he also emphasized that the points which had already been discussed previously and were accepted by both Mr. Charlesworth and himself were not to be brought up at this meeting. This was generally agreed upon by the representatives of the Union.

Mr. Bushnell stated that on account of the limited budget with which the Program Department has to operate, the question of rates would naturally involve the number of musicians which the Commission could hire. Should the rates fixed be high, the number of musicians employed will have to be reduced. Mr. Murdoch informed the meeting that he would communicate with all locals, particularly those in the smaller cities in the Maritimes and the Canadian West, and ascertain from them in view of the fact that an increase in rates in these

points meant the use of a lesser number of musicians, if they did not deem it expedient to retain their old scale or a new uniform scale of rates lower than the rate suggested at this meeting—namely that which is paid to Toronto musicians. Later in the meeting, rates to cover these points were suggested by Mr. Dupont.

Mr. Dunlop asked questions concerning the rates in Montreal, and Mr. Dupont informed him that the Commission has always paid the Union rates, and in many instances engagement fees were much in excess of the minimum set by the Union.

The question of 60 per cent of the members of the Montreal Union formerly employed by the Commission previous to the strike was discussed and Colonel Steel expressed the opinion that his understanding was to the effect that it had been agreed a period of four months was fixed between the Union and the Commission as a lapse during which time the agreements entered into by both parties at the previous meeting would be enforced.

Mr. Murdoch agreed that this understanding was quite in order, and Mr. Dupont then advised that he thought the 60 per cent of musicians in Montreal would all be reinstated by the 15th of September, when the new schedule of programs for the Fall season would be in force. It was at this time pointed out that the Commission had made certain promises to some musicians who had been called upon to bear the brunt of the strike in Montreal, and these promises had to be carried out. The feeling was expressed that the four months which had been set for negotiations would be ample to take care of this problem.

The question of the remote control program from the "Old Mill" in Toronto was brought up, and Colonel Steel said it had been decided to take this program off and definitely stated that the program would be taken off the air.

Mr. Bushnell enquired as to whether the strike had been called off or was being held in abeyance for a period of four months. Mr. Murdoch said that the strike was being held in abeyance and Colonel Steel then expressed the opinion that whether the strike had been called off or was being held in abeyance until negotiations are finished did not matter practically. He said that the Commission was quite willing to co-operate with the Union and thought that by getting closer together many of the problems which have been brought up would disappear.

Mr. Bushnell discussed the questions of the re-instatement of Mr. Hitchins of London, Ontario, and Mr. Murdoch said he was not aware of the circumstances but he would contact London local and see that the situation is rectified immediately.

The question of the re-instatement of Helen Worden, Mrs. Campbell and Mr. Galperin of Calgary was placed before the meeting, and Mr. Murdoch pointed out the fact that these musicians had not applied for re-instatement. It was decided that the Commission should wire Mr. Stovin in order to instruct them to make the necessary application for re-instatement. Mr. Murdoch expressed the opinion that as soon as a request would be made by these musicians, they would be fully re-instated.

The question of re-instatement of Mr. McEwing with the Saskatoon local was discussed and Mr. Murdoch assured the meeting that he would look into the matter and would strongly urge and recommend that McEwing be given the opportunity of again becoming a member in good standing of the local Protective Association.

Mr. Dunlop brought up the question of Jean-Marie Beaudet of Quebec City, and stated Mr. Beaudet was willing to join the Union but had been prevented from doing so because of the fact that he had been told by someone that should he join the said Union, Commission's programs would be withdrawn from him. Mr. Dupont made the statement that neither he nor Mr. Maher had ever made such insinuation to Mr. Beaudet and that the latter was at liberty to join the Union. It was decided that the Commission will not take any action against Mr. Beaudet if he joins the Union.

It was decided that on August 11, the new scale of rates would be paid to Union musicians employed at Montreal, as is being done in other parts of Canada.

Mr. Dunlop asked whether Mr. Roberval would be employed by the Commission, and Colonel Steel said the Commission could not drop this leader below the work he had been performing previously; it is intended to use Mr. Roberval for the operettas broadcasts.

Mr. Dupont suggested that the rates established for centres such as St. John, Halifax, Quebec and the smaller cities of the Canadian West such as Moose Jaw, Saskatoon, Calgary, Edmonton, Regina, be the following:—

- \$8.00 per hour broadcast and 3 hours rehearsal;
- 5.00 per one-half hour and 2 hours rehearsal;
- 3.00 per one-quarter hour and 1 hour rehearsal.

Mr. Murdoch pointed out that these rates would be communicated to the locals for their approval, and as soon as he has received the returns from the various branches, he would inform the Commission of the decision arrived at.

Discussion ensued on the question of rehearsals. Mr. Murdoch pointed out that all rehearsals which were being made at the studios must be paid for, but he added that any leader had the perfect right to rehearse his band or orchestra outside the studios as many times as he felt like doing so, and that it was up to him to see that his organization was capable of producing a satisfactory performance with the minimum amount of "paid-for" rehearsals.

Mr. Murdoch requested that insofar as electrical recordings are concerned, no program should be recorded and broadcast without paying the scale set for such broadcasts: This was agreed to.

The question of selection of musicians forming part of orchestras or bands was discussed and it was suggested that the choice of musicians be left entirely with the leader of orchestras. It was decided to have Union committees formed in the principal centres, especially at Toronto and Montreal, where any complaint as to the inefficiency of musicians could be discussed between the representatives of the Commission, the leader and the committee. The fact was emphasized that the responsibilities should remain with the leaders but that the supervisor of programs should be free to tell the leader whenever any of his musicians are unsatisfactory; the supervisor of programs for the Commission may also submit a list of musicians from which a selection will be made by the leaders.

It was finally decided that in view of the fact that the working agreements are on a week-to-week basis, the above-mentioned changes could be made only by giving the musicians concerned one full week's notice except in cases where the performance of the musician or musicians was so bad as to require immediate action. In the event of this becoming necessary, the Commission Program Supervisor would contact the Union Committee and ask that action be taken before the next broadcast and that musicians satisfactory to him be placed at his disposal.

At 2 o'clock p.m., the meeting adjourned.

EXHIBIT No. 1

By Mr. J. A. DUPONT.

OTTAWA, August 16th, 1934.

File No. 6-1-2

Dear Mr. MURDOCH,—I am attaching herewith a copy of the minutes of the meeting which took place on Saturday morning in our office.

I think this pretty thoroughly covers the points discussed. If you are in agreement, perhaps you would be good enough to approve of these in writing at your convenience.

Yours very sincerely,

(W. Arthur Steel) lieut. Col.
Commissioner.

W. M. MURDOCH, Esq.,
President,

Toronto, Musical Protective Association,
402 Metropolitan Building,
Toronto, Ontario.

Enclosure.

Note:—Copy of Minutes attached same as above in Col. Steel's Statement.
Not printed again.

EXHIBIT No. 2

Copy

MONTREAL, June 8, 1935.

Mr. STUART DUNLOP,
President, Local 406,
Musicians' Federation of Montreal,
Room 11, Mount Royal Hotel,
Montreal.

Dear Mr. DUNLOP,—This will serve to acknowledge receipt of your favour dated June 7 with copy of a letter over your signature, addressed to Mr. Charlesworth.

I have just gone over the engagements given at our Montreal studios for the week beginning on May 26 and ending June 1, and find that we gave 237 unit engagements, of which 163 were given to members of your Local 406 and the other 74 to musicians belonging to the Canadian Federation of Musicians, therefore the arrangements agreed upon by the Commission with the Musicians' Federation of Montreal has been lived up by a margin of nearly 10 per cent, which means that approximately 70 per cent of our engagements are given to men belonging to Local 406.

Mr. J. J. Gagnier is acting in the capacity of contractor, therefore he is fully authorized to select the musicians engaged by the Commission.

As regards the other matter about which you spoke to me over the telephone, that is the matter of overtime rehearsals, I can assure you that I shall take this matter up with Mr. Gagnier next week, as Mr. Gagnier is at present out of town and will not return until sometime on Sunday.

Sincerely yours,
(Signed)

J. A. DUPONT,

Director of Broadcasting.
(Eastern Division.)

SPECIAL COMMITTEE

EXHIBIT No. 3

Copy

MUSICIANS' FEDERATION OF MONTREAL

LOCAL 406, A.F. OF M.

June 17, 1935.

J. A. DUPONT, Esq.,
 Director of Broadcasting,
 (Eastern Division),
 Canadian Radio Broadcasting Commission,
 Ottawa, Ont.

My Dear ARTHUR,—I have just returned to Montreal and found your communication of the 8th instant awaiting me.

With regard to the percentage of our musicians being used in your Montreal station as I told you before unofficially I can say that I am quite pleased.

The matter taken up with Mr. Charlesworth was not taken up from the standpoint that my association was being badly treated or anything of the sort, but was only to try and enlist his influence to get Mr. J. J. Gagnier to cut down on the excessive length of his rehearsals.

If you will come down sometime other than on Saturdays or Sundays I will buy you a meal.

With best regards,

Sincerely yours,

(Signed) STUART F. DUNLOP.

EXHIBIT No. 4

Copy

PRESIDENT'S OFFICE

AMERICAN FEDERATION OF MUSICIANS OF THE UNITED STATES AND CANADA

Affiliated with American Federation of Labor.

NEW YORK, N.Y.,
 September nineteenth
 Nineteen thirty-five.

Mr. HECTOR CHARLESWORTH,
 Canadian Radio Broadcasting Commission,
 Ottawa, Canada.

My Dear Mr. CHARLESWORTH,—This is to acknowledge your kind favour of recent date in answer to the communication I forwarded to you *re:* conditions of musicians in Canada in so far as employment by the Radio Commission is concerned.

Before answering your observations in same, I would call your attention to the following as further corroborative proof of the unfair treatment which Union musicians receive at the hands of the Radio Commission.

In Montreal union musicians must meet the competition of non-union musicians for radio employment in the matter of excessive rehearsals without pay. Failing to see their way clear to do so, they invariably lose Commission broadcasts, so it is clear that the Commission uses non-union musicians for the purpose of tearing down the standard wage and conditions of union musicians.

The following instances conclusively prove this:—

In several instances on some half-hour broadcasts the rehearsals continue for 4 hours, for which the men are paid by the Commission \$7.50. The union scale for half-hour broadcasts with 4-hour rehearsals (allowing for half-hour free rehearsals) is \$14. In other instances, for one hour program, from 5 to 18 hours' rehearsing was required, for which the men were paid \$9. The union scale for one-hour broadcast with 5-hour rehearsals (allowing for one hour free rehearsal) is \$17.

Member Agostini of the Montreal union had a half-hour weekly program which required 4 hours' rehearsal. He submitted his bill to the Radio Commission for \$10 per man (which is below scale). Mr. Dupont reduced this amount to \$9 per man, and without further discussion struck out the \$9 and reduced it to \$7.50, going to the trouble of personally initialling the change. Agostini was definitely advised that that was all the Radio Commission would pay him for this broadcast.

Mr. Pelletier, an official of the Commission, requested Mr. Agostini to give him a quotation on an important program. Pelletier told him that he would agree to pay the minimum book price for the broadcast but nothing for rehearsals. Agostini advised him that he could not present a program of this importance without adequate rehearsals, and Pelletier suggested that if he wanted the program he would have to do what other people did (meaning non union).

Mr. Gagnier, Musical Director of the Commission for the province of Quebec, a member of the Montreal union, presented a half-hour program which entailed 3 hours' rehearsal. The men were paid \$7.50. Union scale for half-hour program with 3 hours' rehearsal (allowing for the half hour free rehearsal) is \$12.

The Commission in Montreal presented "Babbillage Caprice" program. Half of this program is recorded and re-broadcast during the week on a program known as "The Variety Program." Musicians receive nothing for the recording; their music is literally stolen and re-broadcast over the Commission's networks.

On June 25 an orchestra was called to the Commission's station to broadcast the "Operatta Eclair" program. They were held at the station for a considerable time, then advised that the program had been cancelled. The musicians never received anything for the time lost.

The conditions in Montreal are that the Canadian Radio Commission has definitely encouraged and popularized non union orchestras to the detriment of union musicians, without any regard for the definite understanding between the Commission and the Musicians at the Ottawa Conference. The leaders whose competition we were led to believe not to fear have been especially featured. Their services are used by the Commission to the detriment of union conditions.

The local managers of the Commission have been permitted to use every means possible to defeat the aims of the Federation for fair competition for its members, by exposing union musicians in Canada to competition with non union musicians who are prepared to render services at prices named by these local agents or managers. They have created a condition that in the main union musicians could only successfully compete for radio work if they were prepared to rehearse indefinitely, ignore their wage scale and conditions.

In Montreal the agents of the Commission have advised our member Roberval that they would not require his "French Operatta" this season, and that it is going to be presented by non union musicians. The only reason given was that the cost of his rehearsals was such that they had to give same to non union orchestra, and this in spite of the solemn promise by the Radio Commission that union wages would be paid to both union and non union musicians.

The activities of the Radio Commission have the tendency to reduce the standard of life of musicians depending upon radio employment, by reason of

the policy to get rehearsals free of charge and pay as little as possible for the services of musicians. As a result, other sponsors of musical programs insist that they should not be caused to pay more for music than the Radio Commission. The Imperial Tobacco Company takes this attitude now. The Bell Telephone Company and the Molson's Breweries have been advised of the conditions under which the Radio Commission is employing musicians, and they are holding up making of contracts until the matter is settled, as they claim it is quite unfair for the union musicians to ask them to pay to more money than the Radio Commission will pay.

In Saskatoon a member was expelled for the reason that he had misappropriated money collected for wages earned by musicians. In other words, he stole other men's wages and definitely refuses to make restitution. The Radio Commission knows this but keeps him in its employ.

In Windsor the local manager of the Commission has advised respective sponsors that the Commission preferred them to use non union musicians, in other words, the Commission instead of being at least neutral, advertises and encourages the employment of non union musicians. In said City non union musicians are employed almost exclusively. The members of Eddy O'Toole's combination received the princely sum of \$25 for 18 hours per week and lately received the same sum for 6½ hours work. They are about to be transferred or have been transferred to Montreal. There are other non union programs, the Brown Twins, Wallace Ford, organist, Jean Dean, pianist, McCreery's program, and an Ellerbeck Orchestra consisting of seven men. In addition to this, Vincent Eaves orchestra is induced, or at least permitted, to play without pay, that is for their own advertisement.

In all these, the agreement of the Commission that the union wage would be paid to union as well as non union musicians is openly violated. Of all this work, union musicians have one program, Saturday evenings from 6.30 to 7, further proving the designed discrimination against organized musicians.

Only a few days ago the Executive Board of the local in Montreal had a conference with Messrs. Pelletier and Gagnier. They were coolly advised that the wage scale and working conditions as agreed upon at the Ottawa Conference would not be recognized. They were also advised that the "Operette" program, of which I spoke, was not given to Durieux on account of his ability, but for the reason that unlimited rehearsals could be obtained from him; and that such rehearsals were already in preparation for 4 or 5 weeks. They were also informed that they lost numerous programs on account of demands for money to cover rehearsals, not necessarily excessive rehearsals but any rehearsals. The Commission positively does not want to and will not pay for them.

In the case of the "Operette", taking the statements of the agent of the Radio Commission in Montreal, non union musicians are exploited to the extent of being caused to render services for some weeks free of charge, reducing their wage for the entire work, rehearsals and performances combined, to be in the nature of a dole wage.

In your answer to my former letter concerning similar matters you state that the Commission did not make a protest when it felt that 41 or more of their employees had been unjustly treated in the matter of fines. In connection with this matter you ignore the fact that these musicians whom you call your employees are members of the Toronto Musical Union and had agreed to hold themselves governed by its rules, constitution, by-laws and price list; that the Commission itself had agreed to pay union wages to union and non-union musicians; these employees to whom you refer violated the rules of the union to which they belonged by rendering services for less than the wage provided for by their organization. The Commission accepted these services and thereby violated its promise that the standard of wages would not be lowered, but the union wage would at all times be paid.

I hardly think that anyone would agree with the Commission if it maintains that the Toronto Musical Union or any other union could not discipline its members if they played for less than standard wage for radio work. Obviously the Radio Commission's promise to at all times pay union wages is absolutely worthless and it evidently was not made in good faith.

As to non union orchestras whose services were transmitted from Canada by remote control through radio chains in the United States, will say that when we reached an agreement in Ottawa, the promise was made that certain leaders would be displaced and that the major portion of their services would be given to union musicians, even though the Commission could not agree to closed shop. Now we find that these leaders and their orchestras are especially sponsored and featured by the Radio Commission, and their services transmitted to Radio networks in the United States obviously as a compliment to the American Federation of Musicians.

My dear Mr. Charlesworth, I entered the negotiations in Ottawa in perfect good faith and left with the impression that the agreement would be fully kept, and that it would not be subjected to fineries and evasions, and I really regret and I am not only disappointed but amazed at the outcome. I turn to you again with the request to correct the situation complained of so that same come within the spirit of the agreement, and I certainly thank you in advance for doing so.

I remain with best wishes and kindest regards,

Sincerely yours,

(Signed) J. N. WEBER,

President,

American Federation of Musicians.

JNW:

rab

JPG

EXHIBIT No. 5.

Copy

OTTAWA, October 26, 1935.

Joseph N. WEBER, Esq.,
President,
American Federation of Musicians,
1450 Broadway,
New York, U.S.A.

Dear Mr. WEBER,—I have at last found time to answer in detail the allegations contained in yours of September 19. I regret that you have seen fit to insult me by renewed charges of bad faith which are quite groundless and which would anger many thousands of Canadian citizens who respect me not merely for the position under the Crown which I hold but for my uniform fair dealing during a long career in the public eye.

Dealing first with your charge that at Montreal union musicians lose Commission broadcasts if they do not see eye to eye with the Commission, this is entirely untrue. Our musical director at Montreal, Mr. J. J. Gagnier, and his brothers are among the oldest members of your organization in Canada and the main charge I have had to face within recent months at Montreal is that Mr. Gagnier discriminates in favour of your organization against members of the Canadian National Union. This past summer a deputation from the National Labor Congress waited on me and told me that this charge was to be made at the national convention of that body, but I was able to persuade them that our policy had always been fair play to everybody. Most of the specific instances which you cite as conclusive proof have little foundation in fact.

With regard to the first it is absolutely untrue that four hours are used for half hour programs and that for other necessary rehearsals of five to eighteen hours men have been paid for one hour.

With regard to the second charge; in the case of Mr. Agostini's program we paid the men \$9.00 which is \$1.50 more than the regular half hour rate. In this case some of the musicians were loafing on the job and delayed the rehearsal.

The third charge is even more unfounded, as Mr. Agostini, who is directing with us this autumn, will provide about fifteen minutes actual orchestral music and the musicians performing for that length of time will be paid for one half hour.

With regard to the fourth charge, we have been unable to ascertain as to what program this can possibly allude.

With regard to the fifth charge, I should point out that blattnerphone rebroadcasting has no relation of any kind to ordinary recording. It is an application of the telephone principle to rebroadcasting that is unknown in the rest of this continent as the Commission operates the only blattnerphone machine in North America. However, I may add that while blattnerphone rebroadcasting was used during the summer, it has been discontinued except with regard to events of national and international importance.

With regard to the sixth charge, it is a fact that the program mentioned was cancelled owing to unavoidable circumstances but was given the week following and the series extended in order to make up for the cancellation.

With regard to the seventh charge, I repeat that there has never been any discrimination against the American Federation of Musicians and charges to that effect are probably due to internal jealousies with regard to the special position Mr. Gagnier, though a good union man, holds in our organization. Mr. Roberval was not re-engaged for the operetta of this season because it was felt he was getting rather old for the work and Mr. Durieux, who is succeeding him, is more fully qualified for the direction of this interesting feature. However, we have engaged Mr. Roberval's wife, Mrs. Maubourg-Roberval, once a well known opera singer, to give the artistic direction of this operatic feature.

I am afraid that you are mistaken in stating that I agreed to remove all conductors who had carried on during the strike. I could not under any circumstances have done this. What was agreed was that if the allegations of your under-cover men against one of these conductors were substantiated by confidential affidavits we would cease to employ him. No such substantiation has ever been forthcoming. I should add that so far as the Montreal situation is concerned, we have never had any complaint from Professor Dunlop, president of the Montreal local of the American Federation of Musicians, with whom our relations have remained harmonious.

In Montreal the situation is very much divided. The national union has for years been more powerful in that city than elsewhere in Canada but the average allotment of work to musicians is 60 per cent American Federation and 40 per cent national.

So far as the statements as to the action of private concerns in connection with the engagement of musicians is concerned, I know nothing of this matter save that very few of the corporations you mention make any considerable use of orchestral musicians. The largest private employer of musicians for broadcasting purposes is the Canada Starch Company, against which no complaint has ever been made and who employs union musicians.

So far as the Saskatoon situation is concerned, I may say that just before your letter was received I had instructed our superintendent of programs, who was leaving for the west, to see what could be done to straighten out the situation with regard to McEwing. McEwing happens to be the best violinist in Saskatoon, and if we did not employ him we should be obliged to drop instrumental features in that town where materials for such programs are rather scarce. We did

impress on him the necessity of making restitution but the monthly sum he was receiving for his occasional appearances on the air was so low that we could not do much in that direction. However, I am advised that McEwing has arranged to pay \$5 weekly in liquidation of his debt. It certainly would not help his creditors to recover if we should dispense with his services altogether.

As in the case of Montreal I had heard nothing of any complaints at Windsor until I received your letter. I may say that every dollar of the appropriation for musicians at that station is paid to union musicians only there we are not in a position to increase the allotment. It so happens, however, that in the Windsor district the public had never had a Canadian operated station. Station CKLW, the most prominent in that area, was operated from Detroit and we have on several occasions expostulated with them in the interests of the Windsor Trades and Labour Council because they gave so little employment to Canadian musicians belonging to your union. The fact that a truly Canadian station was established at that point has led to requests from many schools and other organizations to put young peoples' orchestras on the air, and as a matter of public policy we could not refuse these requests for purely local broadcasts. Mr. Radford, our manager at Windsor, addressed your Windsor local not long ago and pointed out that the only way young lads, who would become future members of your union, could be brought forward was through such a policy as we were adopting. Unfortunately in Canada certain members of your organization have foolishly opposed the recognition of school orchestras and that policy in Toronto to my knowledge did more to make the Musical Protective Association unpopular than anyone of its other acts. I should add that the son of Angelo Russo, secretary of your Windsor local, is playing with a non-union orchestra in a beer garden at Windsor. Our policy at Windsor as elsewhere is a square deal.

I do not intend to discuss the Toronto matter² as all the facts were laid before you some months ago and no complaint of any kind has been made directly to this Commission as to unfair treatment of your members in that city.

Your letter concludes with a repetition of the charge of bad faith on my part. Let me assure you that this charge could not be sustained before any intelligent body in this Dominion.

With kind regards, I am
Sincerely yours,
Chairman.

UNION NATIONALE—DISTRIBUTION DU TRAVAIL

	Vieille Maison	John Cooke	Ici Paris	Musical Romance	Lionel Daunais	Lord & Cooke	Total
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Bastien, Eugène.....			7 50	7 50			15 00
Batista, Nicholas.....			7 50				7 50
Blair, F. H.....		10 00					10 00
Beauregard, Eugène.....			7 50	7 50			15 00
Black, Jack.....			7 50				7 50
Cabolet, Léon.....				7 50			7 50
Cooke, Charlotte.....						10 00	10 00
Charbonneau, Roger.....			7 50	7 50			15 00
David, Paul.....			7 50				7 50
Demers, Wilfrid.....			7 50	7 50			15 00
Dimario, John.....			7 50	7 50			15 00
Durieux, André.....			35 00				35 00
Durieux, Maurice.....			7 50	7 50			15 00
Fogg, Howard.....			45 00				45 00
Goudriot Louis.....			7 50	7 50			15 00
Gratton, Hector.....					10 00		10 00
Giguère, Roger.....			7 50	7 50			15 00
Leith, Alec.....			7 50	7 50			15 00
Lord, Hortense.....						10 00	10 00
Jones, Harry.....			7 50	7 50			15 00
Larose, Adrien.....			7 50	7 50			15 00
Migneault, Alfred.....	10 00						10 00
Provost, Marielle.....	10 00			7 50			17 50
Stackhouse, Mrs. A. L.....				7 50			7 50
Talbot, Edmons.....				7 50			7 50
Vennat, André.....			7 50	7 50			15 00
Verdone, Paul.....				7 50			7 50
Valois, Jeanne.....				7 50			7 50
Winifield, Frédéric.....				7 50			7 50

DISTRIBUTION DU TRAVAIL—UNION INTERNATIONALE

—	Can.	Réve	Tambour-	En	Radio	Ed.	Pres.	Lullaby	Total
	Gren. Guards	De Valse	Battant	Dinant	C.C.	Herring		L	
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Agostini, Guiseppé.....			60 00						60 00
Agostini, Lucio.....	5 00	20 00	7 50						32 50
Boisseau, Lorenzo.....	5 00								5 00
Browning, J. H.....	5 00								5 00
Burton, S. K.....		7 50	7 50	7 50					15 00
Burton, Noel.....				7 50					7 50
Brunet, Henri.....		7 50		7 50					15 00
Boudreau, Romeo.....						7 00			7 00
Barsha Harry.....									7 50
Braidi, Edgar.....					7 50				7 50
Bertel, George.....					7 50				7 50
Brownstein, Isaac.....								7 50	15 00
Charbonneau, Maurice.....			7 50						7 50
Clossey, Emile.....				7 50					7 50
Cappelli, P. Q.....		7 50							27 50
Chartier, Eug.....				20 00	7 50				15 00
Chamberland, A.....				7 50					5 00
Chamitov, Max.....						5 00	15 00		5 00
Cooke, Charlotte.....	5 00								5 00
Desmarais, Chs.....	5 00								12 50
Decair, Louis.....	5 00		7 50						15 00
Dussault, Gaston.....	5 00								5 00
Dubé, P. E.....	5 00								5 00
Drouin, Juliette.....			9 00		7 50				16 50
Denkey, Raymond.....			7 50						20 00
Deslauriers, Jean.....				20 00					20 00
Dansereau, Nap.....				7 50				7 50	22 50
Duplessis, Mance.....				7 50	7 50				7 50
Fyfe, Joseph.....	5 00								5 00
Fischer, Julien.....	5 00								5 00
Finlayson, Alex.....	5 00	7 50							20 00
Gagnier, Lucien.....	5 00		7 50						20 00
Gagnier, Armand.....	5 00		7 50						27 50
Gagnier, Real.....	5 00		7 50					7 50	12 50
Gagnier, Roland.....	5 00								20 00
Gagnier, Guillaume.....	5 00			7 50					20 00

DISTRIBUTION DU TRAVAIL—*suite*

	Can. Gren. Guards	Rève de Valse	Tambour- Battant	En Dinant	Radio C.C.	Ed. Herring	Presenting	Lullaby Logoon	Lionel Daunais	Total
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Gagnier, René.....	5 00	7 50	7 50	7 50	7 50					27 50
Gagnon, Al.....										7 50
Genhart, Otto.....								7 50		7 50
Gratton, Hector.....									10 00	10 00
Hardy, Joseph.....	5 00					7 50				12 50
Hogue, G. E.....	5 00					7 50				12 50
Hoff, Mat.....		7 50	7 50							15 00
Hardy, Chs.....			7 50							7 50
Herring, Edgar.....						35 00				35 00
Herschorn, Normand.....						7 50				7 50
Iosch, Pierre.....		7 50	7 50							15 00
Iosch, Suzanne.....		7 50								7 50
Joliqueur, René.....	5 00									5 00
Jones, C. E.....	5 00					7 50				12 50
Kennicle, B. C.....	5 00									5 00
Krasner, Halme.....		7 50						7 50		15 00
Krasner, Rubin.....								20 00		20 00
Kester, Jean.....						7 50				7 50

DISTRIBUTION OF WORK—Continued

	Can. Gren. Guards	Rève de Valse	Tambour- Battant	En D'hant	Radio C.C. Ed.	Herring	Presenting	Lullaby Lagoon	Silhouettes Campa- gnardes	Total
—	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Lepine, Eugene.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Lariviere, Frederic.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Leduc, Marcel.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Laliberté, Romeo.....	5 00	.....	.....	.....	5 00	.....	.....	.....	.....	10 00
Laliberté, Eugene.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Laliberté, Telesphore.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Labadie, Georges.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Leduc, Jean.....	.....	.....	.....	.....	.....	.....	.....	.....	5 00	5 00
Laliberté, Armand.....	.....	.....	7 50	.....	.....	.....	.....	.....	.....	7 50
Leduc, Roland.....	.....	.....	.....	.....	7 50	.....	15 00	.....	.....	7 50
Lord, Hortense.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	15 00
Maselia, Frank.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Montpetit, René.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Magnant, René.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
McLamont, Wm.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
McDonald, G. E.....	5 00	.....	.....	.....	7 50	.....	.....	.....	.....	5 00
Marsoit, Jules.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	12 50
Maillet, Reynaldo.....	5 00	.....	.....	.....	.....	.....	.....	.....	.....	5 00
Mastracola, Jos.....	5 00	7 50	7 50	.....	.....	.....	.....	.....	.....	5 00
Massino, Bernard.....	.....	.....	.....	7 50	.....	.....	.....	.....	.....	15 00
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7 50

DISTRIBUTION OF WORK—Continued

	Can. Gren.		Rève de Valse		Tambour-Battant		En Dinant		Radio C.C.		Ed. Herring		Presenting		Lullaby Lagoon		Silhouette Campa-guarde		Total	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Moisse, Severin.....																				7 50
McIver, Allan.....																				5 00
Mazari, Romeo.....																				7 50
Pezzella, Antonio.....	5 00				7 50				7 50											12 50
Paquet, J. T.....	5 00																			5 00
Pelletier, Albert.....	5 00																			12 50
Paquin, Marie-Thérèse.....																				5 00
Poisson, Rolland.....																				7 50
Poison, Lucien.....	5 00																			12 50
Robert, Lucien.....																				15 00
Ranaglia, B.....																				7 50
Scotte, Lucien.....																				7 50
Solomons, L.....	5 00																			5 00
Spencer, Herbert.....																				7 50
Spencer, Herbert.....																				7 50
Schneider, E.....																				5 00
Tipaldi, John.....					7 50															7 50
Vermisssen, F.....	5 00																			5 00
Williams, Richard.....	5 00																			5 00
Webster, Wm.....	5 00																			5 00
Woodbridge, Wm.....	5 00																			7 50
Zimmerman, Eric.....					7 50															7 50

Montreal, April 25, 1936.

The following is respectfully submitted as evidence in rebuttal to the brief presented to the Parliamentary Radio Committee by Mr. S. P. Dunlop, President, Montreal Federation of Musicians, Montreal, Quebec:—

First, I wish to invite the committee's special attention to my explanation of the term "Non-Union Musicians Employed at Montreal" which Mr. Dunlop consistently used when referring to musicians, members of the Canadian Federation of Musicians, an organization associated with the All-Canadian Labour Congress.

Musicians employed in Montreal are members of either Unions, the Canadian Federation of Musicians and the Montreal Federation of Musicians, the latter being tributary to the American Federation of Musicians with headquarters in New York City.

This point having been made clear, I shall proceed with my evidence.

On page 305, Copy No. 10 of the Minutes of Proceedings and Evidence of the Special Committee on the Canadian Radio Commission, second paragraph, Mr. Dunlop states:—

- (a) That the Commission discriminated against Union employees to engage Non-Union men;
- (b) To lower the rates paid considerably.

In reply I state:—

- (a) There never was any discrimination except in Mr. Dunlop's mind who considers the engagement of artists, not affiliated with his Union, as a case of discrimination.

The Commission, as a Government body, cannot and could not employ exclusively musicians of the Montreal Federation, as this policy would be considered as a closed-shop policy, hence our action to engage competent artists whether they belong to one of the two Unions or even not associated with either.

- (b) The scale of salary was at no time reduced. On the contrary it was increased after August, 1934. The point in the matter is substantially as follows: The Montreal musicians requested our acceptance of the scale of salary paid to Toronto musicians, and while we had been paying \$7 for a half-hour broadcast, they were increased to \$7.50 after August, 1934.

The main reason for the strike was to compel the Commission to restrict employment to musicians affiliated with the American Federation of Musicians, which meant in the ultimate that the Union would have entire control over all engagements of artists performing on programs arranged by the Commission.

On page 306, Mr. Dunlop stated, in brief:—

- (b) That the Commission undertook to decrease the number of programs allotted to Mr. Fogg and to eliminate Mr. de Silva, a Non-Union leader.

The facts are: First—Mr. Fogg and Mr. de Silva are not Non-Union orchestra leaders, but are members in good standing of the Canadian Federation of Musicians; Second—No such undertaking as that stated by Mr. Dunlop, in paragraph (b), was undertaken at the meeting referred to and held in Ottawa on August 11, 1934. I am filing, as Exhibit No. 1, minutes of that meeting, and you will note that no reference was made to the point referred to by Mr. Dunlop.

Mr. Charlesworth, who presided at the first meeting held in Ottawa on July 10 and 11, and at which were present the following: Mr. J. N. Weber of New York City, President of the International Union; Mr. Murdoch, Mr. Dunlop and Colonel Steel, might enlighten this committee regarding the commitment which was given with respect to Mr. Fogg. I was not present at this first meeting.

I again refer you to Exhibit No. 1, namely the minutes of the meeting of August 11, about which reference is made by Mr. Dunlop (see last paragraph, page 306).

On page 307, Mr. Murdoch states "It is a memorandum of the agreement made between the Commission and Mr. Weber." Such is not the case, although that proposition might have served as a basis for this further discussion which took place later, that is on August the 11th.

On page 307, last paragraph, Mr. Dunlop makes a statement which may be his opinion but which, I maintain, is beyond his prerogative as he had no definite knowledge as to what was the intention of the Commission.

On page 308, under heading "(a) Co-operation," Mr. Dunlop charges that "the Commission definitely encouraged and popularized Non-Union orchestras to the detriment of the members of the Union." Again I say there were no Non-Union orchestras, but there were orchestras belonging to the Canadian Federation of Musicians. In rebuttal to the statement made by Mr. Dunlop, I refer you to Exhibit No. 1, page 2, paragraph 2, the situation is fairly definitely outlined.

This undertaking was more than fulfilled and explanation is found in my letter of June 8, which I wish to file as Exhibit No. 2.

In a letter dated June 17, 1935, Mr. Dunlop expressed his satisfaction in the following terms: "With regard to the percentage of musicians being used in Montreal Station, as I told you before unofficially, I can say that I am quite pleased." Copy of Mr. Dunlop's letter is herewith filed as Exhibit No. 3.

In the last part of the same paragraph just referred to, I submit again that the men, about whom reference is made by Mr. Dunlop, are musicians affiliated with the Canadian Federation of Musicians, and that furthermore the Montreal Federation of Musicians can lay no claim to exclusive rights of making a livelihood of musical activities, and the three orchestra leaders of the Canadian Federation referred to have every right to invade "the field of union endeavour" if they see fit.

At this juncture I would like to state that the percentage of musicians employed by the Commission and associated with the Montreal Federation of Musicians exceeded at all times the sixty per cent agreement. I beg to state that the percentage has been in the vicinity of seventy per cent.

On page 308, last paragraph, again Mr. Dunlop makes statements which are at variance with the truth. The Commission has adequate studio facilities, in Montreal, to take care of rehearsals for all groups, and Mr. Dunlop cannot prove one single instance where his members have been discriminated against in favour of musicians belonging to the Canadian Federation.

On page 309, "An example of some of the practices on the part of the Commission representatives towards the members of the Union,"—Mr. Dunlop says: "On June 25, 1935, a half-hour program was arranged, the men were to rehearse for that program between 6 and 7 p.m.; the musician members appeared at the radio station at 7 p.m. and were then told to report back at 7.45 for a dress rehearsal. They appeared at 7.45 and waited until 8 p.m. for admission into the radio station." True, the explanation is this: The program was cancelled at the last moment, but to compensate these musicians they were given an engagement a week later for the program which they had prepared, and to offset whatever inconvenience those musicians had been put up to, the Commission gave an additional program. This incident was brought to Mr. Charlesworth's attention by Mr. Weber in a letter dated September 19 and which is filed as Exhibit No. 4. Mr. Charlesworth's reply to Mr. Weber on that point, is filed as Exhibit No. 5. And I particularly commend to your attention the first paragraph of Mr. Charlesworth's letter to Mr. Weber.

On page 309, under (b), Mr. Dunlop states: "Mr. Fogg's work is broadcast over the American chain." There never was any agreement entered into where-

by Commission programs fed to American networks, would be limited to those conducted by orchestra leaders belonging to the Montreal Federation of Musicians. In short, Mr. Dunlop is trying to impose restrictions upon the Commission which are in open defiance to the Canadian Labour Laws.

On page 311, subsection 1, Mr. Dunlop refers to the prices paid to Non-Union musicians on the King's Jubilee broadcast, on May 6, 1935. He compares these prices with those paid to Toronto musicians belonging to the same organization. Mr. Bushnell, Director of Programs for Ontario and Western Canada, explains in his brief the reason for the difference in salaries paid in Toronto.

On the same page, subsection 2, I wish to deny the statement attributed to me as having been made to Mr. Agostini. At a meeting held with Mr. Agostini and Mr. Pelletier, we discussed the type of music which was to be required on the program "Montreal Under the French Regime." With the exception of the opening and closing number, the orchestra was to provide what is called in musical parlance, as "scene music." Therefore, the amount of actual playing-time required by the orchestra for that half-hour program would, in no case, exceed ten minutes, and I explained to Mr. Agostini that the price of \$7.50 was in order.

In reply to subsection 3, page 311, I desire to point out that as the Commission is permitted at least one-half hour rehearsal free of charge, the Union would seemingly have its members charge \$3 for the extra ten minutes. Practically the same can be said . . . for subsection 5, page 312. Out of the forty or forty-five minutes of rehearsal time as the case may be, I feel quite confident in saying that not more than thirty minutes of actual rehearsing or playing was done. In these two cases I believe the men were therefore treated very liberally.

Subsection 6, page 312. "Rendez-vous," has never been rehearsed for four hours with the exception of the first two or three programs for which the privilege of extra rehearsal is accorded without extra pay.

On page 332, reference is made by Mr. Murdoch, whereby the Grenadier Guards Band is being paid \$5 for a half-hour program and the musicians are called to do a two-hour rehearsal on Wednesday afternoon. In reply I beg to state: First—that the Union rate is \$4 for a half hour program and half-hour rehearsal. There is only one-half hour extra rehearsal made and it is arranged at our studios prior to the broadcast which takes place on Sunday late afternoon. Therefore, the rate is in order; Second—Mr. Murdoch's statement as regards a rehearsal of two hours at our studios on Wednesday afternoon does not conform with the facts. The rehearsal of the program is made at the Guard's Armouries at the time set aside for the preparation of repertoires for regimental purposes, public appearances, parades, etc. . . . This rehearsal is in accordance with the rules and regulations of the Montreal Federation of Musicians.

It should be noted that the Commission employs between forty-five (45) and forty-seven (47) men per broadcast, almost double the required minimum.

A second point not to be overlooked is that these engagements have been given in a series or block of from twenty (20) to twenty-two (22) programs.

Mention by Mr. Murdoch of Civilian bands and possible competition between the regimental and civilian organizations, is quite beside the point, as there are in Montreal no civilian bands of professional standard to compete with regimental organizations such as the Grenadier Guards.

As regards other complaints, I would like to refer you at this time to Exhibit No. 4, written by Mr. Weber to Mr. Charlesworth, and also to Exhibit No. 5, which is Mr. Charlesworth's reply to Mr. Weber. It is patent that allegations made were never substantiated.

In summary, I would like to state that there is no discrepancy in salaries paid to musicians associated with either the Montreal Federation of Musicians

and the Canadian Federation of Musicians. Moreover, the Commission has never accepted the suggestion made by Mr. Dunlop and Mr. Murdoch whereby the salary scale of the Montreal Federation of Musicians would be imposed upon musicians associated with the Canadian Federation of Musicians.

There never was any discrimination against the members of the Montreal Federation of Musicians. Evidently what Mr. Dunlop means is that when musicians other than those members of his association are employed, this, he believes, is discrimination. The question of extra rehearsal is such a difficult one that if definite action had not been taken by myself, some musicians would have sat on their chairs all day rehearsing a program, which would have cost the Commission an amount beyond that placed at our disposal for program production. When a program is being arranged, the leader is notified of his fee and that to be paid his musicians, said fee always in accordance with the Union rates. The leader is instructed that he is not to exceed the rehearsal time at his disposal. It is obvious that some of the orchestra leaders have gone beyond our instructions and this is apparently the case when Mr. Dunlop wrote to me on June 19, as per Exhibit No. 1, paragraph 3, which reads as follows: "The matter taken up with Mr. Charlesworth was not taken up from the standpoint that my association was being badly treated or anything of the sort, but was only to try and obtain his influence to get Mr. Gagnier to cut down on the excessive length of his rehearsals."

Before closing, I wish to refer briefly to the matter of blattnerphone recordings which it is charged were used in violation of the agreement. This, when brought to our attention, was immediately stopped, and it happened for a very short time, not more than one or two weeks, when our short-wave receiving station was being tested and that blattnerphone recordings were being used in connection thereof. At this point I refer you to Exhibit No. 5, in which due explanation is given by Mr. Charlesworth.

The fact that I was called upon by the Commission to assume responsibility of program organization for entire Canada during the musicians' strike, in 1934, which responsibility was discharged successfully, as the Commission schedule of programs during the strike was maintained without interruption or failure, might lead one to believe that I personally bear ill-will towards the officers and musicians who are members of the Montreal Federation of Musicians. Gentlemen, I hasten to assure you that such is not the case, and conclusive evidence will be found in the distribution of engagements in Montreal. I beg to file as Exhibit No. 6, a classification of engagements which shows that the Montreal Federation of Musicians is receiving 136 unit engagements per week and the Canadian Federation of Musicians 42 unit engagements per week. The percentage is approximately as follows: 77 per cent for the Montreal Federation of Musicians and 23 per cent for the Canadian Federation of Musicians. This, gentlemen, is the true situation.

J. A. DUPONT,

*Director of Broadcasts (Eastern Division)
Canadian Radio Broadcasting Commission.*

JPG

EXHIBIT No. 1

OTTAWA, August 16, 1934.

File No. 6-1-2

DEAR MR. MURDOCH,—I am attaching herewith a copy of the minutes of the meeting which took place on Saturday morning in our office.

I think this pretty thoroughly covers the points discussed. If you are in agreement, perhaps you would be good enough to approve of these in writing at your convenience.

Yours very sincerely,

(W. ARTHUR STEEL) *Lieut. Col.
Commissioner.*

W. M. MURDOCH, Esq.,
President,

Toronto Musical Protective Association,
402 Metropolitan Building,
Toronto, Ontario.

Enclosures.

MINUTES OF A MEETING OF THE REPRESENTATIVES OF THE
INTERNATIONAL UNION OF MUSICIANS HELD AT THE
OFFICES OF THE RADIO COMMISSION, NATIONAL RESEARCH
BUILDING, OTTAWA, ON SATURDAY, AUGUST 11, 1934.

Those present were: Mr. Walter Murdoch, Professor W. J. Dunlop, Mr. Vandermerchomp, Mr. E. Johnson, representing the Union, and Lt.-Colonel W. A. Steel, Commissioner, Lt.-Colonel R. P. Landry, Secretary, E. L. Bushnell, Director of Broadcasting, Western Division, J. Arthur Dupont, Director of Broadcasting, Eastern Division, representing the Canadian Radio Broadcasting Commission.

At 10.50 a.m., the discussion opened.—

Lt.-Colonel Steel expressed the view that he understood the meeting had been convened in order to discuss mainly the Union rates to be adopted for all locals throughout Canada, he also emphasized that the points which had already been discussed previously and were accepted by both Mr. Charlesworth and himself were not to be brought up at this meeting. This was generally agreed upon by the representatives of the Union.

Mr. Bushnell stated that on account of the limited budget with which the Program Department has to operate, the question of rates would naturally involve the number of musicians which the Commission could hire. Should the rates fixed be high, the number of musicians employed will have to be reduced. Mr. Murdoch informed the meeting that he would communicate with all locals, particularly those in the smaller cities in the Maritimes and the Canadian West, and ascertain from them in view of the fact that an increase in rates in these points meant the use of a lesser number of musicians, if they did not deem it expedient to retain their old scale or a new uniform scale of rates lower than the rate suggested at this meeting—namely that which is paid to Toronto musicians. Later in the meeting, rates to cover these points were suggested by Mr. Dupont.

Mr. Dunlop asked questions concerning the rates in Montreal, and Mr. Dupont informed him that the Commission has always paid the Union rates, and in many instances engagement fees were much in excess of the minimum set by the Union.

The question of 60 per cent of the members of the Montreal Union formerly employed by the Commission previous to the strike was discussed and Colonel Steel expressed the opinion that his understanding was to the effect that it had

been agreed a period of four months was fixed between the Union and the Commission as a lapse during which time the agreements entered into by both parties at the previous meeting would be enforced.

Mr. Murdoch agreed that this understanding was quite in order, and Mr. Dupont then advised that he thought the 60 per cent of musicians in Montreal would all be reinstated by the 15th of September, when the new schedule of programs for the Fall season would be in force. It was at this time pointed out that the Commission had made certain promises to some musicians who had been called upon to bear the brunt of the strike in Montreal, and these promises had to be carried out. The feeling was expressed that the four months which had been set for negotiations would be ample to take care of this problem.

The question of the remote control program from the "Old Mill" in Toronto was brought up, and Colonel Steel said it had been decided to take this program off and definitely stated that the program would be taken off the air.

Mr. Bushnell enquired as to whether the strike had been called off or was being held in abeyance for a period of four months. Mr. Murdoch said that the strike was being held in abeyance and Colonel Steel then expressed the opinion that whether the strike had been called off or was being held in abeyance until negotiations are finished did not matter practically. He said that the Commission was quite willing to co-operate with the Union and thought that by getting closer together many of the problems which have been brought up would disappear.

Mr. Bushnell discussed the questions of the reinstatement of Mr. Hitchins of London, Ontario, and Mr. Murdoch said he was not aware of the circumstances but he would contact London local and see that the situation is rectified immediately.

The question of the reinstatement of Helen Worden, Mrs. Campbell and Mr. Galperin of Calgary was placed before the meeting, and Mr. Murdoch pointed out the fact that these musicians had not applied for reinstatement. It was decided that the Commission should wire Mr. Stovin in order to instruct them to make the necessary application for reinstatement. Mr. Murdoch expressed the opinion that as soon as a request would be made by these musicians, they would be fully reinstated.

The question of reinstatement of Mr. McEwing with the Saskatoon local was discussed and Mr. Murdoch assured the meeting that he would look into the matter and would strongly urge and recommend that McEwing be given the opportunity of again becoming a member in good standing of the local Protective Association.

Mr. Dunlop brought up the question of Jean-Marie Beaudet of Quebec City, and stated Mr. Beaudet was willing to join the Union but had been prevented from doing so because of the fact that he had been told by someone that should he join the said Union, Commission's programs would be withdrawn from him. Mr. Dupont made the statement that neither he nor Mr. Maher had ever made such insinuation to Mr. Beaudet and that the latter was at liberty to join the Union. It was decided that the Commission will not take any action against Mr. Beaudet if he joins the Union.

It was decided that on August 11, the new scale of rates would be paid to Union musicians employed at Montreal, as is being done in other parts of Canada.

Mr. Dunlop asked whether Mr. Roberval would be employed by the Commission, and Colonel Steel said the Commission could not drop this leader below the work he had been performing previously; it is intended to use Mr. Roberval for the operettas broadcasts.

Mr. Dupont suggested that the rates established for centres such as St. John, Halifax, Quebec and the smaller cities of the Canadian West such as Moose Jaw, Saskatoon, Calgary, Edmonton, Regina, be the following:—

\$8 per hour broadcast and 3 hours rehearsal;

5 per one-half hour and 2 hours rehearsal;

3 per one-quarter hour and 1 hour rehearsal.

Mr. Murdoch pointed out that these rates would be communicated to the locals for their approval, and as soon as he has received the returns from the various branches, he would inform the Commission of the decision arrived at.

Discussion ensued on the question of rehearsals. Mr. Murdoch pointed out that all rehearsals which were being made at the studios must be paid for, but he added that any leader had the perfect right to rehearse his band or orchestra outside the studios as many times as he felt like doing so, and that it was up to him to see that his organization was capable of producing a satisfactory performance with the minimum amount of "paid-for" rehearsals.

Mr. Murdoch requested that in so far as electrical recordings are concerned, no program should be recorded and broadcast without paying the scale set for such broadcasts: This was agreed to.

The question of selection of musicians forming part of orchestras or bands was discussed and it was suggested that the choice of musicians be left entirely with the leader of orchestras. It was decided to have Union committees formed in the principal centres, especially at Toronto and Montreal, where any complaint as to the inefficiency of musicians could be discussed between the representatives of the Commission, the leader and the committee. The fact was emphasized that the responsibilities should remain with the leaders, but that the supervisor of programs should be free to tell the leader whenever any of his musicians are unsatisfactory; the supervisor of programs for the Commission may also submit a list of musicians from which a selection will be made by the leaders.

It was finally decided that in view of the fact that the working agreements are on a week-to-week basis, the above-mentioned changes could be made only by giving the musicians concerned one full week's notice except in cases where the performance of the musician or musicians was so bad as to require immediate action. In the event of this becoming necessary, the Commission Program Supervisor would contact the Union Committee and ask that action be taken before the next broadcast and that musicians satisfactory to him be placed at his disposal.

At 2 o'clock p.m., the meeting adjourned.

EXHIBIT No. 2

Copy

MONTREAL, June 8th, 1935.

Mr. STUART DUNLOP,
President, Local 406,
Musicians' Federation of Montreal,
Room 11, Mount Royal Hotel,
Montreal.

DEAR MR. DUNLOP,—This will serve to acknowledge receipt of your favour dated June 7th with copy of a letter over your signature, addressed to Mr. Charlesworth.

I have just gone over the engagements given at our Montreal studios for the week beginning on May 26th and ending June 1st, and find that we gave 237 unit engagements, of which 163 were given to members of your Local 406 and the other 74 to musicians belonging to the Canadian Federation of Musicians, therefore the arrangement agreed upon by the Commission with the Musicians' Federation of Montreal has been lived up by a margin of nearly 10 per cent, which means that approximately 70 per cent of our engagements are given to men belonging to Local 406.

Mr. J. J. Gagnier is acting in the capacity of contractor, therefore he is fully authorized to select the musicians engaged by the Commission.

As regards the other matter about which you spoke to me over the telephone, that is the matter of overtime rehearsals, I can assure you that I shall take this matter up with Mr. Gagnier next week, as Mr. Gagnier is at present out of town and will not return until sometime on Sunday.

Sincerely yours,

(Signed) J. A. DUPONT

*Director of Broadcasting,
(Eastern Division.)*

JAD/B.

EXHIBIT No. 3

Copy

MUSICIANS' FEDERATION OF MONTREAL

LOCAL 406, A. F. OF M.

June 17, 1935.

J. A. DUPONT, Esq.,
Director of Broadcasting,
(Eastern Division)
Canadian Radio Broadcasting Commission,
Ottawa, Ont.

My Dear ARTHUR,—I have just returned to Montreal and found your communication of the 8th instant awaiting me.

With regard to the percentage of our musicians being used in your Montreal Station as I told you before unofficially I can say that I am quite pleased.

The matter taken up with Mr. Charlesworth was not taken up from the standpoint that my Association was being badly treated or anything of the sort, but was only to try and enlist his influence to get Mr. J. J. Gagnier to cut down on the excessive length of his rehearsals.

If you will come down sometime other than on Saturdays or Sundays I will buy you a meal.

With best regards,

Sincerely yours,

(Signed) STUART P. DUNLOP.

JPG

EXHIBIT No. 4.

Copy

PRESIDENT'S OFFICE AMERICAN FEDERATION OF MUSICIANS
OF THE UNITED STATES AND CANADA

Affiliated with
American Federation of Labour.

New York, N.Y.

September nineteenth
Nineteen thirty five.

Mr. HECTOR CHARLESWORTH,
Canadian Radio Broadcasting Commission,
Ottawa, Canada.

My Dear Mr. CHARLESWORTH,—This is to acknowledge your kind favor of recent date in answer to the communication I forwarded to you re: conditions of musicians in Canada insofar as employment by the Radio Commission is concerned.

Before answering your observations in same, I would call your attention to the following as further corroborative proof of the unfair treatment which Union musicians receive at the hands of the Radio Commission:

In Montreal union musicians must meet the competition of non-union musicians for radio employment in the matter of excessive rehearsals without pay. Failing to see their way clear, to do so they invariably lose Commission broadcasts, so it is clear that the Commission uses non-union musicians for the purpose of tearing down the standard wage and conditions of union musicians. The following instances conclusively prove this:

In several instances on some half-hour broadcasts the rehearsals continue for 4 hours, for which the men are paid by the Commission \$7.50. The union scale for half-hour broadcasts with 4 hour rehearsals (allowing for half-hour free rehearsals) is \$14. In other instances, for one hour program, from 5 to 18 hours' rehearsing was required, for which the men were paid \$9. The union scale for one-hour broadcast with 5 hour rehearsals (allowing for one hour free rehearsal) is \$17.

Member Agostini of the Montreal union had a half-hour weekly program which required 4 hours' rehearsal. He submitted his bill to the Radio Commission for \$10 per man (which is below scale) Mr. Dupont reduced this amount to \$9 per man, and without further discussion struck out the \$9 and reduced it to \$7.50, going to the trouble of personally initiating the change. Agostini was definitely advised that that was all the Radio Commission would pay him for his broadcast.

Mr. Pelletiere, an official of the Commission, requested Mr. Agostini to give him a quotation on an important program, Pelletiere told him that he would agree to pay the minimum book price for the broadcast but nothing for rehearsals. Agostini advised him that he could not present a program of this importance without adequate rehearsals, and Pelletiere suggested that if he wanted the program he would have to do what other people did (meaning non-union).

Mr. Gagnier, Musical Director of the Commission for the Province of Quebec, a member of the Montreal union, presented a half-hour program which entailed 3 hours' rehearsal. The men were paid \$7.50. Union scale for half-hour program with 3 hour's rehearsal (allowing for the half hour free rehearsal) is \$12.

The Commission in Montreal presented "Babbilage Caprice" program. Half of this program is recorded and rebroadcast during the week on a program known as "The Variety Program." Musicians receive nothing for the recording; their music is literally stolen and rebroadcast over the Commission's net-works.

On June 25th an orchestra was called to the Commission's station to broadcast the "Operetta Eclair" program. They were held at the station for a considerable time, then advised that the program had been cancelled. The musicians never received anything for the time lost.

The conditions in Montreal are that the Canadian Radio Commission has definitely encouraged and popularized non-union orchestras to the detriment of union musicians, without any regard for the definite understanding between the Commission and the Musicians at the Ottawa Conference. The leaders whose competition we were led to believe not to fear have been especially featured. Their services are used by the Commission to the detriment of union conditions.

The local managers of the Commission have been permitted to use every means possible to defeat the aims of the Federation for fair competition for its members, by exposing union musicians in Canada to competition with non union musicians who are prepared to render services at prices named by these local agents or managers. They have created a condition that in the main union musicians could only successfully compete for radio work if they were prepared to rehearse indefinitely, ignore their wage scale and conditions.

In Montreal the agents of the Commission have advised our member Roberval that they would not require his "French Operatta" this season, and that it is going to be presented by non union musicians. The only reason given was that the cost of his rehearsals was such that they had to give same to non union orchestra, and this in spite of the solemn promise by the Radio Commission that union wages would be paid to both union and non union musicians.

The activities of the Radio Commission have the tendency to reduce the standard of life of musicians depending upon radio employment, by reason of the policy to get rehearsals free of charge and pay as little as possible for the services of musicians. As a result, other sponsors of musical programs insist that they should not be caused to pay more for music than the Radio Commission. The Imperial Tobacco Company takes this attitude now. The Bell Telephone Company and the Molson's Breweries have been advised of the conditions under which the Radio Commission is employing musicians, and they are holding up making of contracts until the matter is settled, as they claim it is quite unfair for the union musicians to ask them to pay more money than the Radio Commission will pay.

In Saskatoon a member was expelled for the reason that he had misappropriated money collected for wages earned by musicians. In other words, he stole other men's wages and definitely refuses to make restitution. The Radio Commission knows this but keeps him in its employ.

In Windsor the local manager of the Commission has advised respective sponsors that the Commission preferred them to use non union musicians, in other words, the Commission instead of being at least neutral, advertises and encourages the employment of non union musicians. In said city non union musicians are employed almost exclusively. The members of Eddy O'Toole's combination received the princely sum of \$25 for 18 hours per week and lately received the same sum for 6½ hours work. They are about to be transferred or have been transferred to Montreal. There are other non union programs, the Brown Twins, Wallace Ford, organist, Jean Dean, pianist, McCreery's program, and an Ellerbeck Orchestra consisting of seven men. In addition to this, Vincent Eaves orchestra is induced, or at least permitted, to play without pay, that is for their own advertisement.

In all these, the agreement of the Commission that the union wage would be paid to union as well as non union musicians is openly violated. Of all this work, union musicians have one program, Saturday evening from 6.30 to 7, further proving the designed discrimination against organized musicians.

Only a few days ago the Executive Board of the local in Montreal had a conference with Messrs. Pelletiere and Gagnier. They were coolly advised that the wage scale and working conditions as agreed upon at the Ottawa Conference would not be recognized. They were also advised that the "Operette" program, of which I spoke, was not given to Durieux on account of his ability, but for the reason that unlimited rehearsals could be obtained from him; and that such rehearsals were already in preparation for 4 or 5 weeks. They were also informed that they lost numerous programs on account of demands for money to cover rehearsals, not necessarily excessive rehearsals but any rehearsals. The Commission positively does not want to and will not pay for them.

In the case of the "Operette," taking the statements of the agent of the Radio Commission in Montreal, non union musicians are exploited to the extent of being caused to render services for some weeks free of charge, reducing their wage for the entire work, rehearsals and performances combined, to be in the nature of a dole wage.

In your answer to my former letter concerning similar matters you state that the Commission did not make a protest when it felt that 41 or more of their employees had been unjustly treated in the matter of fines. In connection with

this matter you ignore the fact that these musicians whom you call your employees are members of the Toronto Musical Union and had agreed to hold themselves governed by its rules, constitution, by-laws and price list; that the Commission itself had agreed to pay union wages to union and non union musicians; these employees to whom you refer violated the rules of the union to which they belonged by rendering services for less than the wage provided for by their organization. The Commission accepted these services and thereby violated its promise that the standard of wages would not be lowered, but the union wage would at all times be paid.

I hardly think that anyone would agree with the Commission if it maintains that the Toronto Musical Union or any other union could not discipline its members if they played for less than standard wage for radio work. Obviously the Radio Commission's promise to at all times pay union wages is absolutely worthless and it evidently was not made in good faith.

As to non union orchestras whose services were transmitted from Canada by remote control through radio chains in the United States, will say that when we reached an agreement in Ottawa, the promise was made that certain leaders would be displaced and that the major portion of their services would be given to union musicians, even though the Commission could not agree to closed shop. Now we find that these leaders and their orchestras are especially sponsored and featured by the Radio Commission, and their services transmitted to Radio networks in the United States obviously as a compliment to the American Federation of Musicians.

My dear Mr. Charlesworth, I entered the negotiations in Ottawa in perfect good faith and left with the impression that the agreement would be fully kept, and that it would not be subjected to fineries and evasions, and I really regret and I am not only disappointed but amazed at the outcome. I turn to you again with the request to correct the situation complained of so that same come within the spirit of the agreement, and I certainly thank you in advance for doing so.

I remain with best wishes and kindest regards.

Sincerely yours,

(Signed) J. N. WEBER, *President.*
American Federation of Musicians

EXHIBIT No. 5

Copy

OTTAWA, October 26, 1935.

JOSEPH N. WEBER, Esq.,
President,
American Federation of Musicians,
1450 Broadway,
New York, U.S.A.

DEAR MR. WEBER,—I have at last found time to answer in detail the allegations contained in yours of September 19. I regret that you have seen fit to insult me by renewed charges of bad faith which are quite groundless and which would anger many thousands of Canadian citizens who respect me not merely for the position under the Crown which I hold but for my uniform fair dealing during a long career in the public eye.

Dealing first with your charge that at Montreal union musicians lose Commission broadcasts if they do not see eye to eye with the Commission, this is entirely untrue. Our musical director at Montreal, Mr. J. J. Gagnier, and his brothers are among the oldest members of your organization in Canada and the main charge I have had to face within recent months at Montreal is that Mr. Gagnier discriminates in favour of your organization against members of the

Canadian National Union. This past summer a deputation from the National Labor Congress waited on me and told me that this charge was to be made at the national convention of that body, but I was able to persuade them that our policy had always been fair play to everybody. Most of the specific instances which you cite as conclusive proof have little foundation in fact.

With regard to the first it is absolutely untrue that four hours are used for half hour programs and that for other necessary rehearsals of five to eighteen hours men have been paid for one hour.

With regard to the second charge; in the case of Mr. Agostini's program we paid the men \$9 which is \$1.50 more than the regular half hour rate. In this case some of the musicians were loafing on the job and delayed the rehearsal.

The third charge is even more unfounded, as Mr. Agostini, who is directing with us this autumn, will provide about fifteen minutes actual orchestral music and the musicians performing for that length of time will be paid for one half hour.

With regard to the fourth charge, we have been unable to ascertain as to what program this can possibly allude.

With regard to the fifth charge, I should point out that blattnerphone rebroadcasting has no relation of any kind to ordinary recording. It is an application of the telephone principle to rebroadcasting that is unknown in the rest of this continent as the Commission operates the only blattnerphone machine in North America. However, I may add that while blattnerphone rebroadcasting was used during the summer, it has been discontinued except with regard to events of national and international importance.

With regard to the sixth charge, it is a fact that the program mentioned was cancelled owing to unavoidable circumstances but was given the week following and the series extended in order to make up for the cancellation.

With regard to the seventh charge, I repeat that there has never been any discrimination against the American Federation of Musicians and charges to that effect are probably due to internal jealousies with regard to the special position Mr. Gagnier, though a good union man, holds in our organization. Mr. Roberval was not re-engaged for the operetta of this season because it was felt he was getting rather old for the work and Mr. Durieux, who is succeeding him, is more fully qualified for the direction of this interesting feature. However, we have engaged Mr. Roberval's wife, Mrs. Maubourg-Roberval, once a well known opera singer, to give the artistic direction of this operatic feature.

I am afraid that you are mistaken in stating that I agreed to remove all conductors who had carried on during the strike. I could not under any circumstances have done this. What was agreed was that if the allegations of your under-cover men against one of these conductors were substantiated by confidential affidavits we would cease to employ him. No such substantiation has ever been forthcoming. I should add that so far as the Montreal situation is concerned, we have never had any complaint from Professor Dunlop, president of the Montreal local of the American Federation of Musicians, with whom our relations have remained harmonious.

In Montreal the situation is very much divided. The national union has for years been more powerful in that city than elsewhere in Canada but the average allotment of work to musicians is 60 per cent American Federation and 40 per cent national.

So far as the statements as to the action of private concerns in connection with the engagement of musicians is concerned, I know nothing of this matter save that very few of the corporations you mention make any considerable use of orchestral musicians. The largest private employer of musicians for broadcasting purposes is the Canada Starch Company, against which no complaint has ever been made and who employs union musicians.

So far as the Saskatoon situation is concerned, I may say that just before your letter was received I had instructed our superintendent of programs, who was leaving for the west, to see what could be done to straighten out the situation with regard to McEwing. McEwing happens to be the best violinist in Saskatoon, and if we did not employ him we should be obliged to drop instrumental features in that town where materials for such programs are rather scarce. We did impress on him the necessity of making restitution but the monthly sum he was receiving for his occasional appearances on the air was so low that we could not do much in that direction. However, I am advised that McEwing has arranged to pay \$5 weekly in liquidation of his debt. It certainly would not help his creditors to recover if we should dispense with his services altogether.

As in the case of Montreal I had heard nothing of any complaints at Windsor until I received your letter. I may say that every dollar of the appropriation for musicians at that station is paid to union musicians only there we are not in a position to increase the allotment. It so happens, however, that in the Windsor district the public had never had a Canadian operated station. Station CKLW, the most prominent in that area, was operated from Detroit and we have on several occasions expostulated with them in the interests of the Windsor Trades and Labour Council because they gave so little employment to Canadian musicians belonging to your union. The fact that a truly Canadian station was established at that point has led to requests from many schools and other organizations to put young peoples' orchestras on the air, and as a matter of public policy we could not refuse these requests for purely local broadcasts. Mr. Radford, our manager at Windsor, addressed your Windsor local not long ago and pointed out that the only way young lads, who would become future members of your union, could be brought forward was through such a policy as we were adopting. Unfortunately in Canada certain members of your organization have foolishly opposed the recognition of school orchestras and that policy in Toronto to my knowledge did more to make the Musical Protective Association unpopular than any one of its other acts. I should add that the son of Angelo Russo, secretary of your Windsor local, is playing with a non-union orchestra in a beer garden at Windsor. Our policy at Windsor as elsewhere is a square deal.

I do not intend to discuss the Toronto matter as all the facts were laid before you some months ago and no complaint of any kind has been made directly to this Commission as to unfair treatment of your members in that city.

Your letter concludes with a repetition of the charge of bad faith on my part. Let me assure you that this charge could not be sustained before any intelligent body in this Dominion.

With kind regards, I am

Sincerely yours,

Chairman.

JPG

NATIONAL UNION—DISTRIBUTION OF WORK

	Vieille Maison		John Cooke		Ici Paris		Musical Romances		Lionel Daunais		Lord & Cooke		Total	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Bastien, Eugène.....					7 50		7 50						15 00	
Batista, Nicholas.....					7 50								7 50	
Blair, F. H.....			10 00										10 00	
Beauregard, Eugène.....					7 50		7 50						15 00	
Black, Jack.....					7 50								7 50	
Cabolet, Léon.....							7 50						7 50	
Cooke, Charlotte.....											10 00		10 00	
Charbonneau, Roger.....					7 50		7 50						15 00	
David, Paul.....					7 50								7 50	
Demers, Wilfrid.....					7 50		7 50						15 00	
Dimario, John.....					7 50		7 50						15 00	
Durieux, André.....					35 00								35 00	
Durieux, Maurice.....					7 50		7 50						15 00	
Fogg, Howard.....					45 00								45 00	
Goudriot, Louis.....					7 50		7 50						15 00	
Gratton, Hector.....									10 00				10 00	
Giguère, Roger.....					7 50		7 50						15 00	
Leith, Alec.....					7 50		7 50						15 00	
Lord, Hortense.....											10 00		10 00	
Jones, Harry.....					7 50		7 50						15 00	
Larose, Adrien.....					7 50		7 50						15 00	
Migneault, Alfred.....	10 00												10 00	
Provost, Marielle.....	10 00						7 50						17 50	
Stackhouse, Mrs. A. L.....							7 50						7 50	
Talbot, Edmond.....							7 50						7 50	
Vennat, André.....					7 50		7 50						15 00	
Verdone, Paul.....							7 50						7 50	
Valois, Jeanne.....							7 50						7 50	
Winifield, Frédéric.....							7 50						7 50	

CANADIAN RADIO COMMISSION

DISTRIBUTION OF WORK, INTERNATIONAL UNION

Exhibit No. 6

	Can. Gren. Guards	Rève de Valse	Tambour- Battant	En dhant	Radio C.C.C.	Ed. Her- ring	Pres.	Lullaby L'	Total
Agostini, Guiseppe.....	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Agostini, Lucio.....	5 00	20 00	60 00						60 00
Boisseau, Lorenzo.....	5 00		7 50						32 50
Browning, I. H.....	5 00								5 00
Burton, S. K.....		7 50	7 50						5 00
Brune, Noel.....				7 50					7 50
Brune, Henri.....		7 50		7 50					15 00
Boudreau, Romeo.....									7 50
Barsha, Harry.....									15 00
Braidi, Edgar.....									7 50
Bertel, George.....									7 50
Brownstein, Isaac.....									7 50
Charbonneau, Maurice.....			7 50					7 50	15 00
Clossey, Emile.....		7 50		7 50					7 50
Capelli, P. Q.....									7 50
Chartier, Eug.....				20 00					27 50
Chamberland, A.....				7 50					15 00
Chantrov, Max.....						5 00			5 00
Cooke, Charlotte.....	5 00						15 00		15 00
Desmarais, Chs.....	5 00								5 00
Decaur, Louis.....	5 00		7 50						12 50
Dussault, Gaston.....	5 00								5 00
Dubé, P. E.....									5 00
Drouin, Juliette.....			9 00		7 50				16 50
Denkey, Raymond.....			7 50						7 50
Desautiers, Jean.....				20 00					20 00
Dassereau, Nap.....				7 50				7 50	22 50
Duplessis, Mance.....	5 00								7 50
Kyle, Joseph.....	5 00								5 00
Fischer, Julien.....	5 00	7 50							5 00
Finlayson, Alex.....	5 00		7 50						20 00
Gagnier, Lucien.....	5 00		7 50		7 50				20 00
Gagnier, Armand.....	5 00		7 50		7 50			7 50	27 50
Gagnier, Reol.....	5 00				7 50				12 50
Gagnier, Roland.....	5 00			7 50	7 50				20 00
Gagnier, Guillaume.....									

DISTRIBUTION OF WORK—Continued

	Can. Gren. Guards		Réve de Valse		Tambour-Battant		En Dinant		Radio C.C.		Ed. Herring		Presenting		Lullaby Lagoon		Lionel Daunais		Total	
	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Gagnier, René.....		5 00		7 50		7 50		7 50		7 50									27 50	
Gagnon, Al.....																			7 50	
Genhart, Otto.....																			7 50	
Gratton, Hector.....																			10 00	
Hardy, Joseph.....		5 00								7 50									12 50	
Hogue, G. E.....		5 00								7 50									12 50	
Huft, Mat.....				7 50		7 50													15 00	
Hardy, Chs.....						7 50													7 50	
Herring, Edgar.....											35 00								35 00	
Herschom, Normand.....										7 50									7 50	
Iosch, Pierre.....				7 50		7 50													15 00	
Iosch, Suzanne.....				7 50															7 50	
Joliqueur, René.....																			5 00	
Jones, C. E.....		5 00								7 50									12 50	
Kennicle, B. C.....		5 00																	5 00	
Krasner, Haim.....		5 00																	15 00	
Krasner, Rubin.....				7 50												7 50			20 00	
Kaster, Jean.....										7 50						20 00			7 50	

DISTRIBUTION OF WORK--Continued

	Can. Gren. Guards	Rève de Valse	Tambour- Battant	En D'nant	Radio C.C.	Ed. Herring	Presenting	Lullaby Lagoon	Silhouette Can- pagnarde	Total
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Lepine, Eugène.....	5 00									5 00
Larivière, Frédéric....	5 00									5 00
Leduc, Marcel.....	5 00									5 00
Lablanc, Roméo.....	5 00				5 00					10 00
Lablanc, Eugène.....	5 00									5 00
Lablanc, Telesphore..	5 00									5 00
Labadie, Georges.....	5 00									5 00
Leduc, Jean.....									5 00	5 00
Lablanc, Armand.....										7 50
Leduc, Roland.....			7 50		7 50					7 50
Lord, Hortense.....							15 00			15 00
Masella, Frank.....	5 00									5 00
Montpetit, René.....	5 00									5 00
Magnant, René.....	5 00									5 00
McLarnon, Wm.....	5 00									5 00
McDonald, G. E.....	5 00				7 50					12 50
Marsot, Jules.....	5 00									5 00
Maillet, Reynaldo.....	5 00									5 00
Mastricola, Joe.....		7 50	7 50							15 00
Massino, Bernard.....				7 50						7 50

DISTRIBUTION OF WORK—Concluded

	Can. Gren. Guards	Rève de Valse	Tambour- Battant	En Dñant	Radio C.C.	Ed. Herring	Presenting	Lullaby Lagoon	Silhouette Cam- pagnarde	Total
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Moisse, Severin.....								7 50		7 50
McIver, Allan.....						5 00				5 00
Mazari, Romeo.....					7 50			7 50		7 50
Pezella, Antonio.....	5 00		7 50							12 50
Paquet, J. T.....	5 00				7 50					5 00
Pelletier, Albert.....	5 00									12 50
Paquin, Marie Therese.....									5 00	5 00
Poisson, Rolland.....				7 50	7 50					12 50
Rochon, Lucien.....	5 00			7 50	7 50					15 00
Robert, Lucien.....										7 50
Ramaglia, B.....		7 50			7 50					7 50
Sicotte, Lucien.....										5 00
Solomons, L.....	5 00									5 00
Spencer, Herbert.....					7 50					7 50
Schneider, E.....					7 50					7 50
Tibaldi, John.....			7 50							7 50
Vermissen, F.....	5 00									5 00
Williams, Richard.....	5 00									5 00
Webster, Wm.....	5 00									5 00
Woodbridge, Wm.....	5 00									5 00
Zimmerman, Eric.....		7 50								7 50

Montreal, April 25, 1936

BY MR. E. L. BUSHNELL

TO THE PARLIAMENTARY COMMITTEE ON RADIO BROADCASTING

Mr. CHAIRMAN and GENTLEMEN:—

In Mr. Dunlop's brief submitted to your Committee he cites an example of discrepancy in payment between Toronto and Montreal for the broadcast of the King's Jubilee on May 6. I would like to point out that the band used in Toronto consisted of 35 sidemen and one conductor as against 26 men and one conductor in Montreal.

Until this bill was presented some days after the broadcast neither Mr. Maxted, our regional director, nor myself were aware of the fact that a rate apparently peculiar to Toronto with regard to band rehearsals on Sunday was in effect and was charged for. The week-day rate for rehearsal for bandsmen is \$2 per hour per man, but the rehearsal rate for Sundays we learned to our astonishment was double that of week-days. Why this should be I do not know. Had we been apprised of this fact we most certainly would have adopted the procedure followed by Montreal of having only part of the band present on the respective Sundays on which the rehearsals took place. Had the week-day rate for rehearsal of \$2 per sideman per hour instead of \$4 been followed in Toronto, as it apparently was in other centres, the amount paid to the Toronto band for this broadcast would have been lessened to the extent of \$8 per man, or for 35 men the sum of \$280 plus a further reduction to the conductor of probably \$20—a total of \$300. This would have brought the bill of the Toronto band to around \$500 and almost in line with payment received by Montreal's 26 men as against Toronto's 35.

In view of the fact that the bills presented by the various bands across Canada for this Jubilee broadcast were so widely divergent and that to the best of my knowledge a majority of the bands used were members of the American Federation of Musicians, it is difficult to reconcile this with the statement made by Mr. Dunlop that, "The Union price was outlined to the Commission and the Commission was well aware and still is very well aware of the range of Union prices for its programs."

On page 330 Mr. Murdoch made the charge that because of the lesser rate which he claimed was paid musicians in Montreal, programs in Toronto had been cancelled and moved to Montreal. This is not a fact and cannot be substantiated in any way. Mr. Charlesworth advised me that Mr. Murdoch had complained of this matter to him and I told Mr. Charlesworth the complaint was not justified. It may have been at the time this complaint was made that more programs of a dramatic nature were being given in Toronto with the consequent result that fewer musicians were being used. The budget of program expenditures for the Province of Ontario and the Province of Quebec was set at the beginning of the fiscal year, April 1, 1935, and during that period the complete appropriation for both provinces was spent in its entirety and no transfer of funds from one province to another was ever made. The musicians of the Province of Ontario received every cent of money which was appropriated for purposes of musical entertainment in that province during 1935-36.

On page 337 Mr. Murdoch has referred to the number of musical programs which are picked up by the Commission from hotels and are broadcast on the Commission's various networks. The reason for doing this must be obvious to this committee. The Commission is given a fixed sum at the beginning of the fiscal year and of this amount a certain proportion is allotted for program purposes. A definite number of hours is contracted for with the transmission line companies and private stations and this time, therefore, has to be filled. Sufficient funds are not available to pay the full studio scale for each and every program. Arrangements are, therefore, entered into between the Commission

and various hotels for them to provide certain periods of entertainment with orchestras which are paid for by the hotel on a weekly basis. If it is the intention of the hotel to have its orchestra broadcast this factor is usually considered when the contract with the orchestra is entered into and provision is made by the hotel to see that each member of the orchestra is compensated according to the rate set by the Union for the broadcasting which it plans on doing. If, however, a contract between the hotel and the orchestra does not contain this broadcasting clause the hotel is obliged to pay members of its orchestra \$1 per man per half hour broadcast and the leader \$1.50 per broadcast. This is the scale set by the Union and to the best of my knowledge is definitely adhered to. It is, therefore, evident that the salary received by members of hotel orchestras is increased to the extent of the number of broadcast performances given. I might add that this is a practice which is followed to even a greater extent in the United States than in Canada.

Until such time as sufficient funds are given the program department to ensure a continuous nightly service which will originate only from studios of broadcasting stations and be paid for at studio rates, there is nothing which can be done to rectify this situation.

Page 337. In so far as the importation of United States programs is concerned, and I refer now solely to those broadcast over the Commission's networks, I wish to state that these are on an exchange basis. The Commission receives a certain number of programs gratis and in return provides these same broadcasting companies with Canadian programs. As an example I cite the case of the Jasper Park Lodge Orchestra, which was carried over the network of the National Broadcasting Company for one-half hour per week during July and August of last year. Practically the same arrangement was effected from Chateau Lake Louise and I estimate that these two Canadian summer resorts benefitted to the extent of thousands of dollars worth of publicity at no extra cost to themselves or to the Commission.

On page 338 Mr. Murdoch has also pointed out that the amount of work received by members of his Association in the past two or three years has been much less than of former years. Although no figures can be obtained for the years prior to the Commission's operation, from my general knowledge of broadcasting conditions throughout Canada in the past ten years I question the accuracy of this statement. Of the \$500,000 spent annually by the Commission for programs I believe it is reasonable to assume that 75 per cent of this amount, \$375,000 per year, is being paid by the Commission to the members of the American Federation of Musicians. It is possibly true that in the years 1928, 1929, 1930 and 1931, more network commercial broadcasting was being done than at the present time. However, I imagine that this was probably due to general financial conditions. It must also be remembered that most of the commercial broadcasting was done over a period of 26 weeks, namely, from the 1st of October to the end of March, and that during the summer months the number of musicians engaged by broadcasting stations was relatively low. At the present time conditions are entirely different. The Commission carries on its operations over a full twelve months. In the city of Winnipeg, for example, the payroll of the Commission amounts to an average of \$1,000 per week and of this sum I would say that 80 to 90 per cent is paid directly to Union musicians winter and summer. Were it not for this fact I am decidedly of the opinion that the lot of the musicians, particularly in summer time, in this and other centres of Canada would be a most unhappy one.

The program department has endeavoured to follow the policy of originating programs in as many cities as possible, thereby distributing its funds to as many musicians as possible. At the risk of being severely criticized by some of the smaller cities I wish it recorded that in my opinion this, generally speaking, is not the wisest policy to pursue in so far as the listener is concerned.

The thing that I am sure is most evident to you all is the fact that a goodly percentage of the Commission's programs appropriation is paid to members of the American Federation of Musicians and that this organization cannot reasonably expect further consideration until such times as a larger appropriation is granted the Radio Commission.

One further point. During the course of Mr. Dunlop's evidence he was asked the question (page 324) by Mr. Bertrand, "And if there were two violinists one a professional and one an amateur would they be paid the same rate?", to which Mr. Murdoch replied, "No, the same minimum. A good man always gets more." I maintain that under existing rates as set by the A.F. of M. this statement is not correct. Unfortunately the Commission is penalized because of the fact that although one musician may not be half as good as the man sitting in the next chair to him, and probably playing the same instrument, he receives exactly the same pay for the same number of hours rehearsal as the man who is extremely efficient. The work of the whole orchestra is therefore retarded by the inability of the poor musician to learn his part in the shortest possible rehearsal period. Because of this each man in the orchestra benefits by the amount demanded for the extra time spent in rehearsal.

While I do not want to waste your time by drawing out this argument to too fine a conclusion, may I give you what I think is a good example. On page 320 Mr. Dunlop has admitted that he is "possibly the poorest musician in Canada" and that he plays the tuba. Now when Mr. Dunlop plays with the "Montreal Orchestra," and he is a Union man, I believe it might be rightfully assumed that he draws the same pay as at least 90 per cent of the other members of this orchestra. Yet they simply cannot be as poor as Mr. Dunlop claims to be; otherwise the Montreal Orchestra could not have possibly achieved the reputation it enjoys.

Before concluding may I recommend to this committee that it give consideration to including in its report to Parliament what it considers to be the best method for the Commission to pursue in its future dealings with Union and Non-Union musicians. Might I suggest that from my years of experience in broadcasting the only fair way I can see to handle this problem is for employers and the representatives of musicians to agree on a standard rate per performing hour or fraction thereof irrespective of the time required for rehearsal.

Gov. Doc
Can.
Comm.

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SESSION 1936
HOUSE OF COMMONS

SPECIAL COMMITTEE

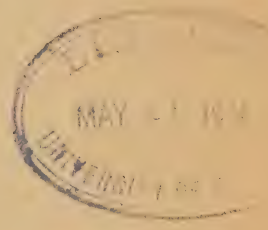
ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

THURSDAY, MAY 14, 1936



WITNESSES:

- Mr. W. T. Burford, Ottawa, representing All Canadian Congress of Labour.
- Mr. R. W. Ashcroft, Toronto, formerly General Manager, Trans-Canada Broadcasting Company.
- Mr. Harry Sedgwick, Toronto, Chairman, Canadian Association of Broadcasters.
- Honourable W. J. Major, Attorney General and Minister of Telephones and Telegraphs, Manitoba; also, representing the interests of the Saskatchewan and Alberta Telephone Systems.
- Mr. Hector Charlesworth, Chairman, Canadian Radio Commission, Ottawa.
- Lt.-Col. W. A. Steel, Commissioner, Canadian Radio Commission, Ottawa.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

THURSDAY, May 14, 1936.

MORNING SITTING

The Special Committee on the Canadian Radio Commission met at 10.30 o'clock a.m. this day, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present:

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Campbell, Cochrane, Dupuis, Edwards, Graydon, Hanson, Howard, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), McIntosh, Martin, Massey and Woodsworth—17.

In Attendance as witnesses:

Mr. W. T. Burford, Ottawa, representing All Canadian Congress of Labour.

Mr. R. W. Ashcroft, Toronto, formerly General Manager, Trans-Canada Broadcasting Company.

Mr. Harry Sedgwick, Toronto, Chairman, Canadian Association of Broadcasters.

Hon. W. J. Major, Attorney-General and Minister of Telephones and Telegraphs, Manitoba; also representing before the Committee the interests of the Saskatchewan and Alberta Telephone Systems.

Present, subject to call if required:

Chairman, Commissioners, and officials of the Canadian Radio Commission, Ottawa.

Director and Supt. of Radio Service, Department of Marine, Ottawa.

Witnesses of yesterday, and others concerned in radio matters.

The Chairman read a telegram received from Mr. J. Norman Robertson; also a letter from New Brunswick, addressed to the Minister of Marine and Railways, both of which are included in the record of this day's evidence; also,

A letter from Mr. J. G. Turgeon, M.P. (with attached letters of complaints from the district surrounding Cariboo, B.C., as to the inadequacy of radio facilities in that section), which was read into the evidence for consideration. Attached letters filed.

Mr. W. T. Burford called:

The witness submitted a brief for the All Canadian Congress of Labour, in which it set forth the strong views of the Congress for a Nationally owned and controlled radio broadcasting system.

The witness was questioned by the Committee and answered in detail.

The witness retired.

Mr. R. W. Ashcroft called:

The witness submitted a brief which was read to the Committee to a certain point when objection was taken that some of the subject matter was not relevant to the questions before the Committee. The witness then proceeded to the constructive part of his submission. Plan for a broadcasting system for Canada, filed with the Committee, for consideration.

The witness retired.

Mr. Harry Sedgwick recalled:

The witness submitted no brief, but spoke and made suggestions from notes only. He spoke at some length and was questioned by all the members of the Committee present. Lists of charities, number of programs over CFRB in month (approx.), and special overseas features, were put into the record.

The witness retired.

Hon. Mr. Major recalled:

The witness made a statement, particularly in connection with interference with radio reception, and the difficulties in the way of eliminating it through the processes of law as at present in force. He thought this should be remedied.

Commander Edwards was asked to make a statement in that connection, in which he said that to-day they did not have the power to remove interferences of certain kinds, and he suggested that the Committee make a recommendation in its report that such power be conveyed to the Department.

The witness retired.

Mr. Campbell asked for the production of certain files of correspondence between the Commission and Mr. Maxted and Mr. Lucas.

The Committee adjourned to 4 o'clock p.m.

AFTERNOON SITTING

The Committee resumed at 4 o'clock p.m., the Chairman presiding.

Members present:

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Campbell, Dupuis, Graydon, Hanson, Howard, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), McIntosh, Martin, Massey and Ryan—15.

In Attendance as witnesses:

Mr. Charlesworth, Chairman, Canadian Radio Commission, Ottawa.

Lt.-Col. W. A. Steel, Commissioner, Canadian Radio Commission, Ottawa.

Present, subject to call, if required:

Heads and other officials of the Canadian Radio Commission, and Radio Service, Department of Marine, Ottawa, and other radio interests.

The Radio Commission submitted:

Memorandum of Political Broadcasting. *Ordered:* Printed as Appendix No. 6.

A Review of the Financial Administration of the Commission, with comparisons. *Ordered:* Printed as Appendix No. 7.

Mr. Charlesworth recalled:

Witness was questioned by Mr. Hanson, Mr. Campbell and Mr. Dupuis, followed by questions from other members of the Committee.

Mr. Lapointe, M.P. for Matapedia-Matane, by permission of the Committee made a statement concerning the poor radio reception in his part of the country, and wanted to know what possibility there was of having it remedied.

Col. Steel was recalled, in order to give information to Mr. Lapointe. Col. Steel was asked further questions by a member of the Committee respecting the increased power asked for by CKAC, Montreal.

Mr. Charlesworth agreed to prepare a memorandum in connection with Wire Lines.

The witnesses retired.

After considerable discussion the Committee adjourned to meet again to-morrow—Friday—at 10.30 o'clock a.m.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 375,

OTTAWA, May 14, 1936.

The special committee appointed to enquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments, met at 10.30 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: I desire to congratulate all members of the committee for being present on time to-day.

Mr. BOUCHARD: Not all, but those who are here.

The CHAIRMAN: I have received a telegram this morning from Mr. J. Norman Robertson of Vancouver, British Columbia, reading as follows:—

VANCOUVER, B.C., 13 May.

A. L. BEAUBIEN, M.P.,

Personal Chairman Special Radio Investigation Committee,
House of Commons, Ottawa, Ont.

Urgently request committee discussion submitted brief favourable decision vital imperative.

(Sgd.) J. NORMAN ROBERTSON.

247 AM

Mr. CHARLESWORTH: That is an application for a licence from Vancouver, and is purely a matter for the radio commission.

The CHAIRMAN: He refers to a brief, and I shall leave it to the members of the committee.

Mr. CHARLESWORTH: It is purely a matter for the commission.

The CHAIRMAN: I quite agree with you, Mr. Charlesworth.

Then I have here a letter dated 11/5/36 addressed to the Minister of Marine, Ottawa, from a listener in an outlying district which I think is important enough to be read to the members of the committee:—

11th May, 1936.

To the MINISTER OF MARINE,
Ottawa.

DEAR SIR,—

Re Radio Broadcasting

I read in my local newspaper of Friday last that three members of the Canadian Radio League appeared before the Commons Committee at Ottawa and expressed certain views re Radio Broadcasting. With regard to these views in general I will not deal, because my information is too scanty, but there is one matter touched upon about which I strongly protest and that is the suggestion that the licence fee might be increased from \$2 to \$3. In the first place the Canadian Radio League decidedly does not represent the licensed radio receiver owners of Canada. The Canadian Radio League admits it has no member-

ship fee and I believe I am right in asserting that it is not open to all radio receiver owners who might wish to join; but is on the contrary a select and closed association.

Sir, there is a class of radio receiver owner in Canada almost unknown to the Canadian Radio League. They are the people in the country districts, the back settlements, the isolated places of Canada, who belong to no organization who can make its voice heard. To these people radio broadcasting is a Godsend, a most important means of contact with the outside world. These people have almost without exception only very small means, and to very many of them it is hardship enough to pay a \$2 fee, the more so as it means for this class of radio receiver owner, battery operation, which is expensive. A loud-speaker battery operated radio costs its owner about \$18 a year for batteries, provided the radio is moderately operated. That cost makes radios of that class impossible for large numbers, in fact, the majority of the people in the country districts; lots of them can't even afford phone radios. How can this section of the population pay a \$3 licence fee when it means hardship and self denial for many to pay a \$2 licence fee and to own even the cheapest radio receiver battery operated, as it must of necessity be. I know cases of people who have bought radios and have abandoned them owing to the cost of operation. I will not enlarge further, but will request you to bear in mind this aspect of the radio broadcasting situation.

Yours truly,

(Sgd.) HENRY ROBERTS,

R.R. No. 1,
Westfield, N.B.

Mr. HANSON: I may say that I have received dozens of similar letters from individuals in northern British Columbia and the Yukon complaining about the same thing.

Mr. MACKENZIE: One does not need to go as far west as British Columbia in order to receive similar protests.

The CHAIRMAN: I thought we might put one of these letters on record.

Then I have a letter addressed to myself from Mr. J. G. Turgeon dated May 11, 1936, reading as follows:—

OTTAWA, May 11, 1936.

Mr. A. H. BEAUBIEN, M.P.,
Chairman,
House of Commons Radio Committee,
House of Commons,
Ottawa, Ontario.

Dear Mr. BEAUBIEN,—The attached communications from various communities in the riding of Cariboo in British Columbia point out the inadequacy of radio facilities. The situation in northern British Columbia is really disgraceful. There are parts of my riding which practically never hear a British Columbia broadcast. Some portions are able to hear programs from Alberta, but those which they usually get come from the more powerful stations in the United States. The remedy would seem to be a more powerful station at Vancouver or a station in one of the north-central areas of the province.

These complaints together with this covering letter are sent to you in the hope that the work of your committee will result in improve-

ment of radio facilities in northern British Columbia. I know the personal interest you have taken in your work and your strong desire to see radio put on a proper basis in Canada. I wish you success.

Best personal regards,

Yours faithfully,

(sgd.) J. G. TURGEON.

There are quite a number of communications attached which will be available to the members of the committee.

Now, gentlemen, we have here Mr. W. T. Burford of the All-Canadian Congress of Labour, who desires to make a representation to the members of the committee. He has promised that he will be brief. Is it your pleasure that he be heard? (Carried.)

W. T. BURFORD, called.

The CHAIRMAN: Proceed, Mr. Burford.

WITNESS:—

MR. CHAIRMAN and HONOURABLE GENTLEMEN:—

At its convention last year the All-Canadian Congress of Labour re-affirmed its approval of the policy of national ownership and control of radio broadcasting services which was advocated by the Congress before the Royal Commission on Radio Broadcasting in 1929 and the Parliamentary Committees on Radio Broadcasting in 1932 and 1934. Having observed the efforts made by the Canadian Radio Broadcasting Commission since 1933 to apply that policy the Congress is more than ever convinced that it is the only effective safeguard against a private monopoly in this important public communication service.

It may be worth recalling that before the establishment of the Canadian Radio Broadcasting Commission private control and operation of the then existing broadcasting stations had brought this country into a state of dependence upon the United States for its radio programs. The Royal Commission in 1929 found this to be a matter of general complaint. It reported:—

In our survey of conditions in Canada we have heard the present radio situation discussed from many angles with considerable diversity of opinion. There has, however, been unanimity on one fundamental question—Canadian radio listeners want Canadian broadcasting.... At present the majority of programs heard are from sources outside of Canada.

It has been emphasized to us that the continued reception of these has a tendency to mould the minds of the young people in the home to ideals and opinions that are not Canadian. In a country of the vast geographical dimensions of Canada, broadcasting will undoubtedly become a great force in fostering a national spirit and interpreting national citizenship.

That condition of dependence upon the United States for radio programs has been materially lessened by the Canadian Radio Broadcasting Commission so far as the Commission's own service is concerned. The privately operated stations, however, maintained as they are by commercial advertising, are still largely dependent upon the big United States networks, and if privately-owned national networks were operated

in Canada there could be no assurance that they would not degenerate into mere subsidiaries of the associated United States concerns.

One consequence of the relationship between the private stations and the United States broadcasting networks is the continued domination of Canadian musicians. The A. F. of M. has a closed shop on the United States networks; owners of private stations in Canada are fearful of giving it offence. At most of the private Canadian stations this American union is able to prevent the employment of musicians other than its own member. The reported statement of an A. F. of M. witness to the Committee the other day (page 327 of the proceedings) that "We do not operate in any place in Canada a closed shop" is contrary to the facts. All that has prevented this foreign-controlled organization from acquiring a complete stranglehold on broadcasting in this country is the resistance offered by the Canadian Radio Broadcasting Commission. Had the Commission not been functioning in 1934, had the major group of stations been in private hands, it is evident that the American Federation of Musicians would have had little difficulty in establishing a closed shop in radio throughout Canada. Only by leave of this organization directed from New York could broadcasting then have "become a great force in fostering a national spirit and interpreting national citizenship."

The witness referred, Mr. W. M. Murdoch, testified at the Parliamentary inquiry into broadcasting in April, 1934. The American Federation of Musicians demanded the closed shop at the Commission's stations in the same month. The demand was renewed on 8th June and was coupled with another for an increase of 30 per cent in the rates of pay. Two days later a strike was called at the Commission's Montreal station, CRCM. On June 16 Mr. Murdoch announced an extension of the strike to all the Commission's stations. The extension occurred three days before the provincial elections in Ontario and Saskatchewan. The Parliamentary Committee was due to meet for the preparation of its report on the 21st; the Prime Minister was due to broadcast a Dominion Day address ten days later. Thus the general radio music strike was timed to exert the maximum pressure not only upon the Commission but also upon the Parliamentary Committee and the government. Before the strike was many days old spokesmen for the American Federation of Musicians admitted that the wage question was incidental; that the fight was to enforce the closed shop, to ban the rival organization, the National Musicians' Union of Canada, from the air, and to deprive its members of their radio jobs. It was, in short an anti-union strike. As events have shown, the union marked out for destruction, the National Musicians' Union of Canada, was not destroyed. It enjoyed an appreciable accession of membership from the ranks of the A. F. of M., particularly in Montreal. The strike was called off on July 11.

In the opinion of the All-Canadian Congress of Labour the Canadian Radio Broadcasting Commission is to be congratulated for having defended the public interest by its resolute refusal to be made the cat's-paw of a foreign-controlled labour organization bent upon crushing a free Canadian union out of existence.

The Congress believes that the public interest would be still better served if the Canadian Radio Broadcasting Commission were given complete control of broadcasting, and if it were encouraged to extend its activities in those directions best calculated to foster a national spirit—as, for example, the provision of a more adequate news service of the same character as the excellent but abbreviated service now provided. The Congress therefore repeats its recommendations that the licences of private

broadcasting stations should not be renewed upon the expiration of the current annual term, and that all broadcasting in Canada should be done by the Commission. As was pointed out by the Royal Commission, radio broadcasting tends to become a monopoly. If it becomes a private monopoly in Canada it will eventually be submerged in the United States radio empire.

It is submitted that the case against private control and operation of broadcasting stations has been strengthened by the developments of the last four years and that the time has come for the removal of radio from commercial exploitation.

The CHAIRMAN: Does any member of the committee wish to ask Mr. Burford any questions?

By Mr. Campbell:

Q. Do you feel that by nationalizing radio your union would get as much work or more than they would out of commercial advertising?—A. We believe there would be ample work for musical talent in Canada, and that there would be less imported musical talent from the United States, if the Canadian Radio Broadcasting Commission had full control. At the present time, we regard this control of the musical jobs on the radio on the private stations by the American Federation of Labor as only a portion of that organization's activities to suppress the development of Canadian musical talent. Whether they are intended for that purpose or not, we would not presume to suggest; but it is obvious that musical talent has failed to develop in Canada through the activities of that organization.

Q. It has Canadian members, has it not?—A. It has Canadian members, sir, but the Canadian members are under the control of the headquarters in New York. Mr. Joseph Weaver is the president in that city.

By the Chairman:

Q. Are the members of your organization refused work with the private broadcasting stations?—A. Yes, sir. I cited some instances before the committee in 1932 where it was definitely stated in writing by some of the stations that nobody but members of the American Federation of Musicians would be employed.

Q. Does that prevail to-day?—A. It prevails to-day, sir.

By Mr. Bertrand:

Q. You recommend, as a matter of fact, that the commission by-and-by should take control of all the stations in Canada?—A. Yes, sir.

Mr. CAMPBELL: You recommend that to be done at the end of the current year.

By Mr. Bertrand:

Q. Have you taken into consideration the financial point of view, that the commission cannot advertise and make a trade as the private stations are doing to-day, and that we would be in a very bad state as compared with the United States where these stations are making a tremendous amount of money out of advertising?—A. We make no recommendation regarding the financial end this time, Mr. Chairman. We have done so on previous occasions. We feel that a country which can afford to spend two hundred million dollars in the last few years for the relief of destitution, without taking any measures whatever for the ending of that destitution, is quite capable—

The CHAIRMAN: I do not think that should be brought into this discussion. I think you should answer Mr. Bertrand's question. I do not think that remark was necessary.

WITNESS: I was trying to explain why we omit any reference to the support of the Commission in our brief this morning.

By Mr. Bertrand:

Q. In other words, at the present time you have not given thought as to how it could be done. This last paragraph in your brief reads:—

It is submitted that the case against private control and operation of broadcasting stations has been strengthened by the developments of the last four years and that the time has come for the removal of radio from commercial exploitation.

A. On the contrary, we have given it a great deal of thought.

Q. And the financial set up?—A. At our convention the proposal was made that there should be an increase in the broadcasting fee, but that did not find acceptance by the delegates at our convention. There was great discussion on the question, and it was finally decided to make no recommendation in that regard for the reason that I have suggested to honourable members.

By Mr. Martin:

Q. Having in mind that you want to nationalize radio, and that it is one of the very necessary obligations in that regard to suggest what should be done in regard to fee, because it is a thing that has to be carried on in some way. Having in mind your proposal, what do you suggest about the licence fee?—A. We have suggested that the entire expense of broadcasting in Canada—and that is really the purport of the presentation—should be borne by the public treasury.

Q. Have you any idea what it would cost? Could you tell the committee?—A. According to the royal commission in 1929 it would cost the equivalent of \$3 for the then number of broadcasting licences issued. I forget the round figure.

Mr. CAMPBELL: That is just to run the current year. The capital investment is what Mr. Martin means, I think.

Mr. MARTIN: Yes, the whole cost.

WITNESS: I cannot pose as an expert on the cost of setting up stations, Mr. Chairman; but the capital investment, I should say, would not be extensive to extend the present station to the extent indicated by the commission in 1929. They propose a set up of five stations, with some smaller stations scattered around. We would not contemplate suggesting to the government that they should take over the private stations that are functioning now under temporary licences, except at scrap valuation.

By Mr. Campbell:

Q. You propose that they be just left out in the cold?—A. They are only there on sufferance now.

Q. What is that?—A. They are only there on sufferance now, in our view.

Q. Would you propose that all their equipment and everything be scrapped?—A. Their licence would not be renewed. The licence which they at present hold expires at a certain date. I believe it is the 31st of March next year.

Q. You think the publicly-owned stations now could serve Canada. Is that what you mean?—A. With proper extensions as recommended by the royal commission in 1929, we believe adequate service could be given by the Canadian Radio Commission now.

[Mr. W. T. Burford.]

By Mr. Martin:

Q. There is one other point. I am not saying that I disagree with you, but I want to get your views. Do you think it is possible to confine within national limits the number of artists counted as open to take part in programs? Do you think it is conducive to the high type of programs that we should aspire to?—A. We would never suggest that.

Q. That is what I would like to get clear on.—A. We would like to see talent from all over the world used in the Canadian broadcasting system. What we object to is the closed shop in Canada by American controlled labour organizations.

By Mr. MacKenzie:

Q. Or any other organization?—A. Or any other organization.

By Mr. Edwards:

Q. That is purely a matter of regulation, is it not? It is hardly necessary to take over the private stations to do that?—A. On the broad ground of public policy, we believe that the ownership, control and operation of radio broadcasting in Canada, as in Great Britain and other countries should be a public utility, because the service naturally tends to become a monopoly.

By Mr. Martin:

Q. You say in other countries. What other countries?—A. Great Britain and some of the European countries, I believe.

Q. What European countries?—A. Switzerland is one, I think. There was a list provided by the commission. I have not them in my mind.

By Mr. Bertrand:

Q. Those countries are not places where the radio is better organized. It is better organized in the States than in any other country in the world, and they have all private stations.—A. I believe one of the reasons why radio was nationalized in Great Britain was as a matter of public defence. The control and operation of the stations there is linked up, to a great extent, with the post office management of the radio telegraph service; and they have always been most backward, one might say—or perhaps it would be better to say reluctant—to grant licences even for receiving stations which might be used for military purposes. It was a natural thing, with the already existing post office telegraphs and telephones, to extend the radio service under public ownership. But in this country, Mr. Chairman, I believe there is another reason why we should be very chary about turning over to private monopolistic control the broadcasting service, and that is our geographical propinquity to the United States. We know that radio stations can be operated in chains and networks. We know that it is the logical, technical way to operate stations for due economy; and with the competition to which allusion has been made across the line, there is bound to be a linking up of stations in Canada. If that linking up is left to the private owners of private stations rather than to a nationally controlled body such as the Radio Broadcasting Commission, we fear that very soon it will be a mere shadow of the big networks across the line.

By Mr. Campbell:

Q. Do you propose, in your plan, to have any advertising, or would you have merely programs sponsored by the government?—A. We oppose broadcast advertising. We do not believe it is necessary for any public utility to rely upon advertising as a means of subsistence. It has been admitted by witnesses

—I don't know about this committee, but before previous parliamentary inquiries—that broadcast advertising is a nuisance. It has been admitted by the owners of private stations that they do their utmost to bring in advertising in an insidious manner, to thrust it upon the listener before he is aware of what is coming.

Mr. BERTRAND: You are talking about the extreme cases.

Mr. CAMPBELL: The listener can always turn his radio off.

Mr. BERTRAND: A few years ago we had The Canadian Hour, the Imperial Oil Hour from Toronto. I think that was the best music that I ever heard on a Canadian network; and the only advertising was that you are going to hear the Imperial Oil Hour. If the government had had to pay for that, it would have been a raid on the treasury. We could not in Canada have any program like Chase & Sandborne's, for example.

Mr. WOODSWORTH: I was going to suggest that possibly the raid on the treasury or on the general public by Imperial Oil would not have been so great.

Mr. BERTRAND: That is another question.

Mr. JOHNSTON: The people are paying well for the Imperial Oil broadcast.

WITNESS: There is a difference between the sponsored program to which the honourable gentleman refers and straight advertising. The objection to sponsored programs cannot be nearly so great because the advertising content is not so great as in the straight or spot advertising. Such programs as are sponsored by the Canadian Pacific Railway Company, Canadian Industries Limited and the Imperial Oil Company are not objectionable to the same extent as the ordinary advertising programs.

Mr. BERTRAND: The ordinary advertising programs could be regulated by the Commission. I mean, the advertising could be regulated by the Commission.

Mr. CAMPBELL: It is regulated now. Five per cent is the limit.

WITNESS: Yes, which I believe the private broadcasters are doing their utmost to get extended. Although they themselves admit that they try to bring advertising in, in a manner which will be least offensive. But the royal commission in 1929 recognized that sponsored programs might be permitted as a means of securing revenue. They did not regard it as ideal. They regarded that as a measure of expediency rather than one of general policy.

By Mr. Edwards:

Q. Did you hear the evidence yesterday?—A. No, sir.

Q. Regarding advertising in Great Britain?—A. No, sir.

Q. Were you here?—A. No. I was not here, unfortunately.

Mr. EDWARDS: It developed there that the nationally owned broadcasting system in the United Kingdom was at a loss of about \$10,000,000 due to the fact that programs or at least commercial advertising came from the continent. That is a very serious matter over there just now.

Mr. CAMPBELL: The same thing could happen here.

Mr. EDWARDS: The same thing could easily happen here from United States. They could just move over and broadcast their commercial programs in the United States, and we would lose that revenue in Canada. Your proposal is to take that money out of the treasury to compensate for that. Is that your idea?

WITNESS: I think if the United States radio stations were to clutter up the air with more advertising than they now carry, that would be their lookout. Our service here should be free from those considerations, as far as possible.

[Mr. W. T. Burford.]

By Mr. Martin:

Q. That is a very important question. Would you mind answering it?—
A. If the business is transferred to United States, I do not see that it would injure the Canadian service in any way.

Mr. EDWARDS: It would employ, naturally, the American musicians rather than Canadian musicians.

By Mr. Martin:

Q. You will still have advertising on the air, the thing which you are objecting to, only it would emanate from a different point?—A. The suggestion is purely hypothetical.

Q. No, it is a very real one. It is happening in Europe. It is the thing that is happening in England to-day.—A. I do not believe that the B.B.C. is operating at a loss. The last figures I had showed a very substantial revenue.

Mr. CAMPBELL: That is not what Mr. Edwards spoke of.

WITNESS: The possibility of transferring advertising from Canada to the United States seems to me to be very remote. Even if the conditions were as suggested, I do not think that the advertising would be effective.

Mr. EDWARDS: It is an actual fact in the United Kingdom. It developed in yesterday's evidence that the value of \$10,000,000 was paid for commercial advertising on the continent, broadcasts throughout the United Kingdom. That is revenue which they are losing to-day, and they are not accomplishing anything by doing so.

The CHAIRMAN: And they still get advertising.

Mr. CAMPBELL: Yes.

Mr. EDWARDS: And they still get advertising, certainly.

WITNESS: The B.C.C. certainly receives great revenue from advertising in its publications. It looks after its advertising in that direction. We believe that the proper place for advertising is in the daily newspaper and in the magazines, rather than on the air; for the reason that a person cannot avoid the advertising on the air with the same readiness that he can in the magazines or newspapers where he can flip over the page. You have very little choice, even in the best of localities, among radio programs, even if you can receive from all over the continent, unless you are going to make real labour of it instead of enjoyment. The advertising that comes is listened to by very reluctant listeners very often because they just do not want to reach over and turn it off. It is regarded by, I believe, every listener or certainly by a very large proportion of the listeners, as a nuisance. Why should it be inflicted on the people?

Mr. EDWARDS: Why is it a nuisance any more than advertising in the daily newspapers? You will admit that the cleverest articles perhaps in the magazines, the well known magazines, are the advertising articles.

By Mr. Martin:

Q. Mr. Burford, the issue is clear. You have got two alternatives, either you can have no radio or you can have the government pay for it entirely; and in that case you are still going to have advertising on the air, only coming from another country. What is the answer to that? It is a clear issue, surely.—A. Mr. Chairman, I hardly think that the suggestions or alternatives are quite so direct as that. The experts who testified before the royal commission in 1929—I think some of them are in the room—were able to show that satisfactory service with the necessary power and stations could be maintained in Canada for a certain amount of money. It was decided by the commission at that time that that was well within the means of Canada; and that was their recommendation.

Mr. BERTRAND: In 1929 radio broadcasting was practically in its infancy. Since then it has developed to a great extent. In 1929, 5,000 watt stations were the kind that we had all over America. To-day we have some of 500,000 so you may see the difference. If the government had to pay for all that, it would be a straight raid on the treasury.

By the Chairman:

Q. May I ask you this question: Do you not think that advertising naturally creates more employment and also that by advertising the sale of goods is increased? If the sale of goods is increased through broadcast advertising, would it not give the labour of this country more work? I might qualify that. There are a lot of people in the country who sometimes do not see a paper for a month or six weeks, but who hear the advertising; they get conscious of a certain commodity and buy it, and probably buy more of it and create more employment. I would like to get your views on that.—A. Mr. Chairman, I really think that is a question on which you can receive a more competent answer from the publishers and printers of newspapers and magazines in Canada, who have lost their advertising to some extent to the radio. Large corporations allocate their appropriations to different branches of advertising, and what goes on the radio certainly does not go in the newspapers. They are not prepared to double up, so far as I understand, to accommodate the radio.

Q. The point I want to make is that advertising on the radio reaches a certain percentage of our population that newspaper advertising never reaches. I think that is sound and I think it is well established. What I would like to get clear in my mind, and to have the view of Mr. Burford upon, is as to whether or not by advertising certain commodities and reaching those people in the outlying districts, that would not increase the sale of those commodities and thereby increase employment?—A. It is quite possible that some increase might be registered in certain localities and under certain conditions. It is impossible to say that that form of advertising is a total failure.

By Mr. Woodsworth:

Q. Just along that line—although I think we are getting far afield—I should like to ask Mr. Burford, as a labour man, whether he thinks that most people fail to buy simply because they are not goods-conscious or because they have not the purchasing power?—A. Obviously they cannot buy goods if they have not the price. I think, as Mr. Woodsworth says, it is a little wide of our discussion.

By Mr. Campbell:

Q. I should like to ask a question following on what Mr. Edwards asked you a little while ago—and you said it was not a very serious matter—about Canadian advertising going to the States. We have it happening now. I have before me the *Toronto Star* of May 12, 1936, and I see an advertisement here reading: "Tonite on the air, Mary Pickford, WABC, WJR, WKBW, 10 p.m. 'Pickfair Parties', sponsored by Ice Industry of Toronto"—A. That is one time where the *Toronto Star* gets a little revenue out of radio advertising.

Q. That is not the point. Mr. Edwards asked you a little while ago and you dodged the answer?—A. If you will allow me to answer, I think that very advertisement shows the inadequacy of radio advertising. That is advertising an advertisement. You have to call the attention of the people to it in the newspapers before they will listen.

Q. That is not the point. We asked you if your proposal with regard to nationalizing would result in advertising going to the United States, involving

[Mr. W. T. Burford.]

the employment of American artists instead of Canadians whom you are supposed to be representing, and whether that was a very serious matter?—A. We are not very apprehensive of that.

Witness retired.

The CHAIRMAN: Gentlemen, we have Mr. Ashcroft here. Mr. Ashcroft will tell you who he represents if the committee wishes to hear him. He appeared before the committee in 1932 and also in 1934, and has expressed his desire to appear again before the committee. Is it the pleasure of the committee that we hear Mr. Ashcroft?

Mr. WOODSWORTH: It seems to me that we decided, in order to limit the range of those whom we should hear, that we would not go outside of the list of witnesses on the agenda.

The CHAIRMAN: The clerk of the committee received a telephone communication from Mr. Ashcroft and it was almost impossible for me to gather together the members of the sub-committee. Mr. Ashcroft is here if the committee wishes to hear him.

Mr. CAMPBELL: No doubt Mr. Ashcroft will be very brief?

The CHAIRMAN: Yes. I might inform the committee that other than the officials of the radio commission Mr. Ashcroft and Mr. Sedgwick will constitute the last witnesses we are to hear. What is the pleasure of the committee with respect to hearing Mr. Ashcroft?

Mr. HANSON: If Mr. Ashcroft will be brief I think the committee should hear him inasmuch as he is here.

Mr. WOODSWORTH: I have no objection, but I suggest that if we do hear Mr. Ashcroft it will be open to anyone to introduce further evidence.

The CHAIRMAN: I understand that. The situation arose because of my inability to get together the members of the sub-committee.

R. W. ASHCROFT, called.

By the Chairman:

Q. Mr. Ashcroft, I think the members of the committee would like to know upon whose behalf you are about to make these representations?—A. I am appearing personally. Formerly I was general manager of the Trans-Canada Broadcasting Company, prior to the appointment of the radio commission. I would like to express my appreciation of the privilege you have extended to me of appearing before this committee this morning.

Q. Whom do you represent?—A. Nobody. I am the "celebrated radio authority" who was misquoted by the chairman of the Radio Commission at the first sitting.

Before reading my brief, I would like to file with the committee a memorandum setting forth in detail the tariff which is in effect in the United States for radio transmission lines for network programs. While this information is not necessarily confidential, I suggest that it be held in camera, as is being done with Exhibit 7.

By the Chairman:

Q. I do not think that can be done. If you wish to file that information it will become public property as has any document filed by previous witnesses. The hearings are public. Only certain evidence relating to the administration of the Radio Commission as a department of the government has been heard in camera.—A. It was not given to me confidentially at all. I do not consider

it confidential information, but it might be of considerable value to the committee in considering the transmission charges that the Commission are now paying.

Q. You understand that you are here to give certain views before a committee appointed to inquire into radio, and any views you have to express or any information you have to submit should be submitted in public. That is the procedure of all committees?—A. I will file it on that basis.

I would also like to file with the committee a statement showing the cost of Mr. King's coast-to-coast broadcast on the Saturday evening before election day, and also a statement showing what was paid by the Reconstruction Party for Mr. Stevens' broadcast on the same evening. These may be of use to your committee for comparison with the charges made by the Radio Commission to Mr. Bennett for his broadcast on the same date. I might state that the amounts paid for Mr. King's and Mr. Stevens' broadcasts were at the regular tariff rates for station time and wire charges.

Mr. MARTIN: We have all that information.

Q. Are these commission figures?—A. No. These are figures for Mr. King's broadcast and Mr. Stevens' broadcast.

Q. We have all that information?—A. Very well.

Mr. CAMPBELL: He might be allowed to file it.

Mr. WOODSWORTH: If the witness is appearing in his own personal capacity I would like to know where he gets his information in this matter. I do not know whether he can speak with authority on these amounts. If we want these amounts I think we should get them from the original source.

WITNESS: I received that information from the parties who handled those broadcasts.

By Mr. Campbell:

Q. What is the purpose of filing the information?—A. Just as a matter of information in case it is of any use to you.

Mr. MARTIN: This committee surely is not interested in what takes place between parties in a private broadcast. We are just cluttering up the record by admitting such information.

The CHAIRMAN: I think probably the best thing we can do is to have these two documents filed as exhibits and if the members of the committee wish to use them, they can use them. Is that satisfactory? (Carried.)

The CHAIRMAN: Proceed, Mr. Ashcroft.

WITNESS:—

Mr. CHAIRMAN and GENTLEMEN:—

May I express my appreciation of the privilege you have extended to me to come before your committee at this important investigation. I might say that I am the "celebrated radio authority" who was misquoted by the Chairman of the Radio Commission at your first sitting.

I would like to make it quite clear that I am appearing before you in a personal capacity. My presence before your committee at this time is to furnish you, for what they may be worth, such information and views as I have acquired during my intimate connection with broadcasting in Canada and other countries in the last decade. I might say that, within the last few years, I have visited nearly all the radio stations in Canada from coast to coast, as well as a great many in the United States and Great Britain. At the present time, I do not represent, directly or indirectly, any radio station or network, any broadcasting association, or any vested interest of any kind.

[Mr. R. W. Ashcroft.]

I was a witness before the 1932 Radio Committee as General Manager of the Trans-Canada Broadcasting Company, under which name I operated a national broadcasting net-work in Canada from 1928 to 1933. The work of this organization was subsequently continued in a modified form by the Radio Commission.

I was again a witness before the 1934 Radio Committee in the capacity of Honourary President of the Dominion Broadcasters' Association, which was composed of about twenty-five Canadian radio stations and which was organized because the older Association—the Canadian Association of Broadcasters—had become moribund, owing to the fact that certain of its officials had allied themselves profitably with the Radio Commission. This latter Association did not appear before the 1934 Committee, as it was not then functioning. It has since been resurrected, and is now fully representative of the privately-owned stations in Canada.

For the benefit of those of you who may not be familiar with the career of broadcasting in Canada, may I recite, very briefly, some of the high-lights, which have led up to the present situation?

Broadcasting started in the early twenties, when a few low-powered radio stations were installed to thrill and entertain the owners of crystal receiving sets.

Nothing notable happened during the first six years, but, on July 1, 1927, after months of preparation, Canadian stations were hooked up for the broadcasting of the celebrations in connection with the Diamond Jubilee of Confederation.

On March 4, 1928, the first modern, high-powered station in Canada commenced operations in Ontario, and, for over five years, this station, of which I was in charge, earned and was accorded a high degree of popular favour. Under its auspices, the broadcasting of net-work programs also began to flourish.

On March 31, 1928, the radio stations owned by the International Bible Students' Association were denied further use of the air by Mr. Cardin, then Minister of Marine. This created quite a furore, and brought broadcasting prominently to the attention of Parliament.

As a result, the Aird Commission was appointed to investigate Canadian broadcasting, and they submitted a report in 1929 recommending that the Dominion Government should take over the ownership and operation of all Canadian radio stations, and spend several millions in a broadcasting plant that would cost several additional millions each year to operate. This was, of course, in the pre-depression days.

(In view of the possible adoption of the Aird report, all stations in Canada were warned by the Department of Marine that, if they spent any more money in improving their plants, they would do so entirely at their own risk. Four years later, the Radio Commission told them that, if they did not forthwith modernize their plants, at their own expense, they would be put off the air).

Owing to the change of administration in 1930, no action was taken on the Aird report, and nationalization became a dead issue, for the time being.

The subject was revived, however, owing to a quarrel between the Liberal Premier of the Province of Quebec, Mr. Taschereau, and the Conservative Minister of Marine, Mr. Duranleau, who had succeeded Mr. Cardin. The controversy arose in this manner:—

There were two radio stations in the city of Quebec, CHRC and CKCV. It was generally understood that Station CHRC was owned or controlled by a political organizer for the Conservative Party in the

Province of Quebec, who later was appointed a Radio Commissioner. In any event, Station CHRC was decidedly anti-Liberal during the Dominion election campaign of 1930. Station CKCV was not.

These stations had been sharing time on the air with each other on a 50-50 basis, each having half-time on the same wave-length; but, soon after the new Conservative Minister of Marine, Mr. Duranleau, assumed office, the Conservative Station CHRC was granted full 24-hour time on one wave-length, and the Liberal Station CKCV was cut down to two hours per day—the hours from twelve to two, mid-day—on another wave-length.

Shortly afterwards, the Quebec Government expressed their desire to broadcast their programs, "L'Heure Provinciale," on Station CKCV, at Quebec. This was an evening program, originating at Station CKAC, in Montreal. They were told by the Minister of Marine that they were quite free to broadcast the program from Quebec also, but that they would have to use Station CHRC, as Station CKCV was not allowed to broadcast in the evening.

Incensed by this attitude of the Minister of Marine, the Premier of the Province of Quebec intimated that he could see no reason why the Province should not conduct broadcasting within the Province without any interference from the Federal Government.

The aftermath to this passage-at-arms was that the Supreme Court of Canada was called upon to settle the controversy, and very rightly decided that jurisdiction over broadcasting channels should continue to vest in the Dominion Government, and that the Province of Quebec could not set up a broadcasting scheme of its own. To cinch the Supreme Court decision, the matter was referred to the Privy Council, which body, in 1931, confirmed the opinion of the Canadian Court.

Then came the 1932 House Committee, pre-destined to give birth to the "celebrated radio autocracy" now under investigation.

Feeling, as I do, reasonably proud of my own broadcasting achievements prior to the advent of the Commission, I hope I may be permitted to make a few comments in relation to a statement which appears in their annual report for the fiscal year ended March 31, 1935. (Exhibit 1.)

On page 13, the Commissioners state:—

The Christmas Day message of His Majesty the King, reaching listeners in Canada and throughout the Empire, was the chief event broadcast in Canada during the year. The broadcast of the ceremonies at the opening of Parliament on the 17th of January, 1935, was also of particular significance and was the first occasion on which such a broadcast had been arranged on a national network in Canada.

The first occasion when the ceremonies at the opening of Parliament were broadcast on at national net-work throughout Canada was when I did so in the year 1930.—five years previously.

Likewise, I arranged for and supervised the broadcasting in Canada of the first Christmas Day message of His Majesty, the late King George. This was in 1931, and the Radio Commission followed my example by repeating these wonderful broadcasts year by year.

I was also privileged to bring the voice of our late King to Canadian listeners for the first time on November 12, 1930, on the occasion of the opening of Indian Round Table Conference; and I was able to broadcast, on several occasions, the voice of our present King, then Prince of Wales.

I, too, inaugurated the broadcasting of educational programs from coast to coast, under the auspices of the National Council of Education [Mr. R. W. Ashcroft.]

and with the co-operation of Canadian Pacific Communications, and—believe it or not—I personally paid out of my own pocket, the fees of the University professors who gave the lectures.

Mr. WOODSWORTH: This may be very interesting, but I do not see why we should have a personal history read into the record, I have no knowledge whatever as to what evidence is to be given, but while this personal history may be of interest to the witness, I do not think it is of interest to a number of us in this committee.

The CHAIRMAN: I think your observations are perfectly sound, Mr. Woodsworth.

Mr. Ashcroft, I think what you should do before this committee is to give us your idea of what should be done, either with the present system as it exists to-day or with respect to a new set-up. I do not think you should go into all that detail of your past history of radio broadcasting.

Mr. BERTRAND: It is admitted that Mr. Ashcroft is an expert.

By the Chairman:

Q. I think the evidence and information you are giving to-day was given before previous committees, and I suggest that you go right into your brief?—A. Very well, sir:—

I mention these incidents, among many that I recall, to emphasize the fact that most of the achievements for which the Radio Commission take and get credit, were fait accompli in Canada before the Commission was ever thought of.

The CHAIRMAN: Have you reached your representations now, Mr. Ashcroft?

Mr. MARTIN: Apart from Mr. Ashcroft's natural modesty I think there is value in what he is reading. It gives us a picture we would not otherwise have.

The CHAIRMAN: I am entirely in the hands of the committee.

By Mr. Edwards:

Q. Is your brief very lengthy?—A. It will take about fifteen minutes.

Mr. EDWARDS: I suggest that Mr. Ashcroft be permitted to proceed.

The CHAIRMAN: Is it the wish of the committee that this be included in the record of the proceedings?

Mr. CAMPBELL: Whatever the witness says.

The CHAIRMAN: I am in the hands of the committee but I still am of the opinion that what the witness is now presenting is not evidence.

Mr. MARTIN: I do not think it is evidence, but it furnishes the members of the committee with a background we have not had before.

WITNESS:

Yet, in a carefully-prepared newspaper statement in defense of the Commission, the Chairman once stated:—

We started from scratch, without any organization or any facilities for providing a broadcasting service.

They "started from scratch" only in that they were absolute novices in the art of broadcasting, lacking essential knowledge and experience, but they had all the facilities then that exist to-day, plus over \$1,000,000 per year wherewith to make use of them.

I have carefully observed the career of the Radio Commission during the last three years, and it has been frequently punctuated with blunders. The most colossal of these was apparently the alleged use of

public money, public credit and public broadcasting facilities for partisan purposes during the recent campaign, and on five occasions in January, 1935.

This recalls to my mind an editorial regarding the proposed national ownership of radio stations, which appeared in the *Montreal Star* in 1929. The editor said:

Would anyone seriously propose to put ownership and control of all the newspapers of the country into the hands of the Federal Government or a body named and paid by the Federal Government? Yet it would be little more dangerous. The C.N.R. has broadcasting stations as it is. Has any one noticed any C.N.R. propaganda? This, of course, is perfectly legitimate; for it is open and above-board. But Government control would pretend to be neutral.

We would, of course, get the strongest assurances from the ministers themselves that they would never, never take advantage of their control over radio to prejudice the case or limit the opportunities of their opponents. Perish the thought! They would be most careful to appoint an independent commission or something of the sort to prevent just such action by themselves in the heat of an election or during the canny days when they were circulating insidious propaganda. Of course, they would.

But we may get some wicked politicians in office some day; and perhaps it would be just as well not to tempt them too sorely with the possible possession of too much power.

If what happened during the last campaign is any criterion, the *Montreal Star* editor was apparently a true prophet. Not only did the Radio Commission—a federal department—take charge of the arrangements for the broadcasting of the Conservative party, but I understand that they repudiated, on one occasion, their undertaking to allow a broadcast by Mr. King, and arbitrarily allocated the time to Mr. Bennett, thus forcing Mr. King to broadcast at another time.

Mr. CHARLESWORTH: That is not true.

The CHAIRMAN: That is all right, Mr. Charlesworth.

Mr. WOODSWORTH: Mr. Chairman, again I rise to protest, since it is left to me to do so. I submit that there are a great number of allegations and charges being made by Mr. Ashcroft definitely or indirectly, and if they are admitted into the record of the proceedings it will be perfectly proper to call upon a large number of persons either to refute or to substantiate such charges. Whilst a great deal of latitude has been allowed to witnesses testifying before this committee I think it is a bad principle for the committee to permit a gentleman to come here who, under the cover of furnishing some constructive ideas, criticizes the radio commission or anybody else whom he does not like personally. I do not think that it is the purpose of this committee, and I protest against this kind of information going down on our records.

The CHAIRMAN: I have already expressed my agreement with your view, Mr. Woodsworth. Do you insist upon a ruling? I have not been called upon to make any rulings since this committee opened its sittings. I have always left the final decision in the hands of the members of the committee. I agreed with your objection earlier, but I was over-ruled by the consensus of opinion of the members of the committee that Mr. Ashcroft should be permitted to proceed.

Mr. MARTIN: I think the committee entirely agrees with Mr. Woodsworth's objection, and does not propose to allow this witness to indulge in any personal

[Mr. R. W. Ashcroft.]

recriminations against the present Chairman of the Radio Commission, but we were willing to allow Mr. Ashcroft to continue because of the natural curiosity that his interesting statement arouses.

The CHAIRMAN: Mr. Martin, I might say that it is pretty hard for me to control the curiosity of the members.

Mr. EDWARDS: You might allow us to relax a little, Mr. Chairman.

The CHAIRMAN: May I ask the members of the committee again if it is the wish of the committee that Mr. Ashcroft should read the document that he has started to read, or should we ask him to go right on with his suggestions for a radio broadcasting system in Canada? What is the pleasure of the committee?

Mr. WOODSWORTH: I move that the witness be requested to present in the most concise form possible any constructive suggestions he has to offer with regard to the better carrying on of the present Radio Commission.

The CHAIRMAN: And eliminate the other part of it?

Mr. WOODSWORTH: Yes. I do not see why this should go out to the whole world, and if it does I think we will be duty bound to call a large number of witnesses to deal with the whole situation.

The CHAIRMAN: I am inclined to think so too. Have we a seconder to Mr. Woodsworth's motion?

Mr. MARTIN: I second the motion.

The CHAIRMAN: Gentlemen, you have heard the motion; what is the pleasure of the committee? Are you in favour of Mr. Woodsworth's motion?

(Carried.)

Shall I ask Mr. Ashcroft to go on with his recommendation, Mr. Woodsworth?

Mr. BERTRAND: Mr. Chairman, I have received by mail a little pamphlet which I have here called the Ashcroft Plan and which I read with great interest. I agree with a number of the points in this plan, and I do not know why Mr. Ashcroft does not stay within the limits of this booklet.

The CHAIRMAN: It has been decided that Mr. Ashcroft should go right into that plan. I suppose it is contained in your brief, Mr. Ashcroft.

WITNESS: Yes, I was going to submit it.

The CHAIRMAN: Will you please omit any other material.

WITNESS: I am leading up to a constructive suggestion right now.

Mr. BERTRAND: Proceed.

The CHAIRMAN: The committee has decided that you should go on with the recommendations in your brief, and that you should omit anything else.

WITNESS: Yes.

In view of this, it is to be hoped that any legislation that may be presently enacted will adequately protect the broadcasting interests of all recognized political parties in future election campaigns. What a graceful gesture this would be on the part of the Government of the day!

In this connection, I would like to read into the record some of the recommendations of the 1935 Broadcasting Committee in regard to political campaign broadcasting as submitted to the British Parliament last February. Is this relevant, Mr. Chairman?

The CHAIRMAN: I think that is relevant.

WITNESS: The committee, headed by Lord Ullswater, reported:—

93. For the conduct of political broadcasting during a General Election campaign, the B.B.C. should, we consider, first offer for election speeches such time as may seem appropriate. The allocation of this time between the Government, the official Opposition and other parties should

then be arranged by agreement between them in default of which the Speaker of the House of Commons might perhaps be asked to make an arbitral decision.

94. The broadcaster who has the last word during an electoral contest is in a position of great advantage, because there can be no adequate reply to whatever he may say. In the fear that this advantage might be unfairly used in the production of a surprise issue at the last moment, it has been suggested to us that all political broadcasting should cease for three days before the Poll. There is force in the suggestion; the General Election of 1935 has shown it to be practicable; and we recommend its adoption.

I understand the general elections in Canada are usually held on a Monday. It might be a good idea if campaign broadcasting were to cease after the previous Friday evening. On this final evening, time on the air should be divided equitably among all the recognized parties, and Coast-to-Coast facilities be provided to them without charge by the governing body in control of the Canadian broadcasting.

The CHAIRMAN: Are you in favour of that, Mr. Woodsworth?

Mr. WOODSWORTH: Yes. Yes.

By Mr. Bertrand:

Q. You do not mean, Mr. Ashcroft, that it should be divided into equal parts between the different parties?—A. That is not for me to say.

Q. According to the votes given at the last election?

The CHAIRMAN: Proceed, Mr. Ashcroft.

WITNESS: On other occasions, the respective parties would make their own arrangements for broadcasting time with the radio stations. Campaign broadcasting should be limited strictly to such speeches or addresses as might normally be made from any rostrum.

Another interesting feature of the British Committee's report is that they recommend that the proportion of licence fee revenue to be turned over to the British Broadcasting Corporation shall be increased from 53 per cent to not less than 75 per cent or nearly \$14,000,000 per annum, in order that the B.B.C. may expand its activities and, among other things, "minimize any hardship caused to composers and performers by reduction of employment and remuneration as a result of the recent and rapidly increasing application of mechanical and electrical (including wireless) science to the reproduction and transmission of music."

They deal specifically with the question of performing rights, as follows:—

71. We have heard evidence as to the fees paid to authors, composers, and the owners of performing rights. Broadcasting has opened a new market for musical and literary work at a time when the demand in other quarters may be fluctuating or falling. It brings the artist's works to a very wide audience, without necessarily stimulating the distribution of copies of those works or the demand for their performance elsewhere. But it is not on this ground alone that a liberal treatment of the creative artists is to be recommended. It is open to the Corporation, by selection and encouragement, to exert a strong influence upon future artistic production, and we feel that a generous policy will beneficially affect both the immediate future of the arts in this country and the broadcasting service itself. We have no doubt that the Corporation, in settling fees by agreement, will take these considerations fully into account.

72. At the same time we foresee the possibility of disagreement at some future date if the bodies which control a large volume of musical

[Mr. R. W. Ashcroft.]

or other material for performance should advance claims which the Corporation would not feel justified in conceding. If that contingency should arise, it would be right for the dispute to be settled by reference to an arbitration tribunal agreed upon by the parties, and the B.B.C. should endeavour to secure this; but if agreement as to arbitration cannot be reached, we recommend that the question should be decided by a tribunal set up by Parliament for the purpose.

What a striking contrast there is between the British viewpoint towards "performing rights," and that held in some quarters in Canada. I am deleting the next few remarks.

I dealt harmoniously with the Canadian Performing Right Society during the years I was operating the Trans-Canada broadcasting network, believing that the property right they represented should be adequately protected and fairly compensated. If a small proportion of the annual radio licence fees were set aside to compensate the owners of the music that is utilized in, and that is essential to broadcasting, I believe all interested would be satisfied, and I strongly commend this to you for consideration.

With reference to sponsored programs, the Canadian Radio Broadcasting Act of 1932, enacted that:—

The Commission shall determine the proportion of time that is to be devoted by any station to national and local programs respectively and the proportion of advertising that is to be authorized, which shall not, unless by permission of the Commission, exceed five per cent of any program period, and may prescribe the character of such advertising.

This figure of not over "five per cent" may have been suggested by a statement I made to the 1932 committee. I was asked by the chairman what percentage of time on a program should be used for direct advertising. I replied (page 336): "Not over four to five per cent."

As an advertising and publicity man of over forty years' experience, I am still of that opinion; and the soundness of it is gradually being realized by sponsors of radio programs. A few of the clever ones now know by experience that verbosity and blatancy defeat the very object of their broadcasting. The others can, I believe, be educated to comply with reasonable restrictions, which should not, however, be applied by a yard-stick. The next two pages are criticisms of the Commission so I will cut those out. They are very interesting.

Mr. WOODSWORTH: Mr. Martin's curiosity will get the better of him if you allow the witness to go on.

Mr. MARTIN: I am reaching the point of satiation.

WITNESS: Not wishing to trespass further upon your time, I will file with the committee, as a submission in writing, copy of a broadcasting plan which I prepared for the Minister of Marine last December, and which could be included in the record if you so desire.

The CHAIRMAN: Have you a copy here?

WITNESS: Yes, I have a copy here. While this plan does not deal specifically with the broadcasting of news, I might say that the adoption of it, or of something of a similar nature, would make feasible the broadcasting by all radio stations from coast to coast—not at a cost of \$100,000 per year, but free of any expense whatever—of four news bulletins every day, which service was so generously offered by the officials of the Canadian Press when they appeared before your committee on April 7.

In conclusion, may I say that I regard it as vital that any governing body placed in charge of broadcasting in Canada should be chosen on disinterested and non-party lines, and that it should function through a competent general

manager, as a supervising and service organization to the radio stations of Canada, rather than as an operator of any stations other than a short-wave receiving station.

The governing body could well be limited to seven members—five representing our geographical zones, and, simultaneously, the fields of music, education, literature, labour and commerce. The sixth member could be a nominee of the National Council of Women, to represent our Canadian womanhood; and the seventh an official of the Department of Marine, technically familiar with wireless operations.

It should be clearly impressed upon privately-owned radio stations that the property-right in broadcasting channels vests absolutely in the government, and that a licence to broadcast constitutes a privilege extended to them which embodies an obligation on their part to conduct their operations in the public interest, under the guidance of the governing body.

After statutory provision has been made, safeguarding the body-politic against abuse of the natural utility of broadcasting, the general administration thereof could safely be entrusted wholly to the governing body.

(Submission filed with the committee.)

By Mr. Bertrand:

Q. I understand that you have introduced this booklet in your testimony?—

A. Yes, sir.

Q. On page 9 you recommend that the head office should be in Toronto, Ontario. What is the reason for that?—A. I mention Montreal also, Mr. Bertrand.

Q. But why have the head office in Toronto?—A. You cannot have a general manager in two cities.

Q. Why not in Ottawa or Winnipeg?—A. Because most of the talent, or half of it anyhow, as compared with Montreal, is in Toronto.

HARRY SEDGWICK recalled.

The CHAIRMAN: May I inform the members of the committee that Mr. Sedgwick is president of the Broadcasters' Association of Canada. He has no brief, but he wants to make some comments and give some suggestions to the committee. A brief was read yesterday by Mr. Pasmore, representing the Broadcasters' Association and advertising agencies.

Mr. CAMPBELL: Also the advertisers.

Mr. HANSON: Is this the last witness?

The CHAIRMAN: Yes.

Mr. CAMPBELL: All but the Commission.

WITNESS: I would like, if I may, Mr. Chairman and gentlemen, to explain the association which I represent. It is called the Canadian Association of Broadcasters and its membership consists of 44 privately owned stations, a list of which I would like to have incorporated in the record.

CANADIAN ASSOCIATION OF BROADCASTERS

MEMBER STATIONS

CJCB	Sydney, N.S.	CHGS	Summerside, P.E.I.
CHNS	Halifax, N.S.	CFNB	Fredericton, N.B.
CHSJ	Saint John, N.B.	CKAC	Montreal, P.Q.
CHLP	Montreal, P.Q.	CHRC	Quebec, P.Q.
CKCV	Quebec, P.Q.	CKCH	Hull, P.Q.
CFPL	London, Ont.	CKPC	Brantford, Ont.
CKLW	Windsor, Ont.	CKCL	Toronto, Ont.
CFRB	Toronto, Ont.	CKCO	Ottawa, Ont.
CKOC	Hamilton, Ont.	CHML	Hamilton, Ont.
CKCR	Waterloo, Ont.	CKTB	St. Catharines, Ont.
CFCO	Chatham, Ont.	CFLC	Prescott, Ont.
CJIC	Sault Ste. Marie, Ont.	CKSO	Sudbury, Ont.
CFRC	Kingston, Ont.	CKPR	Fort William, Ont.
CFCN	Calgary, Alta.	CJRC	Winnipeg, Man.
CJRM	Moose Jaw, Sask.	CJOC	Lethbridge, Alta.
CFQC	Saskatoon, Sask.	CKWC	Regina, Sask.
CHAB	Moose Jaw, Sask.	CFRN	Edmonton, Alta.
CFAC	Calgary, Alta.	CJCA	Edmonton, Alta.
CJGX	Yorkton, Sask.	CJOR	Vancouver, B.C.
CKMO	Vancouver, B.C.	CFJC	Kamloops, B.C.
CKWX	Vancouver, B.C.	CHWK	Chilliwack, B.C.
CKOV	Kelowna, B.C.	CJAT	Trail, B.C.

They run from Halifax to Vancouver, and they are responsible, have been and are at the moment, I think, for possibly 90 per cent, at least, of the broadcast entertainment that is provided in Canada to Canadian listeners.

By Mr. Woodsworth:

Q. Has this association any relationship to the organizations whose representatives gave evidence yesterday?—A. None at all, except that we do business with them. We are an association of station owners and operators throughout Canada organized together to try to improve our own situation and the broadcasting situation generally.

The officers of the association consist of a board of directors. The Vice-President is Mr. A. A. Murphy of radio station CFQC of Saskatoon. The directors are, Mr. George C. Chandler, radio station CJOR, Vancouver; Mr. J. N. Thivierge, radio station CHRC, Quebec; Major William C. Borrett, radio station CHNS, Halifax; Mr. H. Gordon Love, radio station CFCN, Calgary, and Mr. Philip H. Morris, radio station CFPL, London, Ontario. They are elected at an annual meeting which was held last January, and they represent the geographical sections of Canada, with four directors from eastern Canada and three directors from western Canada. I am explaining that to show you the set-up of the organization which I represent. For the last two years they have done me the honour of electing me as their president.

I had prepared a brief to present to you, gentlemen, but the night before last, coming down on the train, I learned that the brief being presented by Mr. Glen Bannerman, representing the Association of Canadian Advertisers, and by Mr. Jack MacLaren, representing the association of advertising agencies, covered the points in many instances which I had covered, consequently I will omit my brief and merely take up some items which I do not think have been thoroughly covered before your committee. I will, therefore, merely speak from notes, if you do not mind.

The brief presented by the Association of Canadian Advertisers discussed the Ullswater report as it was prepared on the British Broadcasting situation.

In view of the fact that the original Aird Report was designed to follow the ideas that were present in the B.B.C., there is one point which I think I might elaborate, that is the cost of operating the B.B.C. in Great Britain.

In 1935 the British Broadcasting Corporation spent on operating their system about the equivalent of \$12,000,000 in Canadian money. It is rather interesting to note that Lord Ullswater in his report on page 23, sections 66 and 67 rather laments the fact that they have not had enough money; that they could do a much better job in England if they were provided with more funds. He says here:—

We believe that the B.B.C. would in the past have been able to provide more varied programs and a more rapid extension of service, if its income had been larger. In view of this fact and of the expansion and improvements recommended elsewhere in this Report, which the Corporation is prepared and anxious to undertake so soon as adequate revenue for the purpose can be provided, we are satisfied that a substantially higher proportion of the sums paid by listeners should be allotted to the Corporation for the service.

We do not think it defensible that the Exchequer should retain any part of the net revenue collected from listeners unless the Corporation has first received "an income thoroughly adequate to ensure the full and efficient maintenance and development of the service." The estimates presented to us indicate that the income required during the next few years for purposes other than Television (after 1936) will amount to approximately 75 per cent of the net licence revenue remaining after deduction of the proportion to cover Post Office costs; and we recommend that the proportion of net revenue to be allocated to the B.B.C. under the new Charter and Licence should not be less than 75 per cent.

I might point out that the revenue in 1935 was in excess of £3,500,000 and the Ullswater report recommends that within two years from the date of this report they are expecting revenue of £4,500,000, which will indicate that the actual cost of operation of the B.B.C. by 1938 will be running in excess of \$20,000,000 annually. I am pointing that out just to show what the high cost is of operating a completely national system in such a small country as England; and we believe that they are very efficient in the way they do business. I do not think national radio could be any more efficiently operated here. It is fairly safe to assume, as pointed out in the brief presented by Mr. Dunlop, that after allowing for our time differential, for our two languages and for the very large area which we must cover, the cost in Canada must of necessity be greater.

I should also like to point out something more from the B.B.C. annual report. There seemed to be quite some argument as to whether or not advertising was desirable or ethical. But the B.B.C. do publish three journals which have a combined circulation of about two and a half million copies. They call them Radio Times, World Radio, and The Listener. In those journals they accept any amount of advertising. In fact they solicit advertising the way any other newspaper publisher does; and they must have been quite successful in soliciting a considerable amount of it because they show a net profit as a result of their three publications in 1935 in excess of £421,000. I point that out to show that the B.B.C., notwithstanding the fact that they do not accept advertising on the air at the moment, are still in the advertising business, and they still do, because all three journals published in Great Britain have advertising.

By Mr. Woodsworth:

Q. You said "at the moment." Is there any suggestion that they are contemplating using the air for advertising?—A. Only the fact that it has been worrying them considerably, the amount of money that has been going out of

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the country for advertising programs, being spent on European and Irish Free State stations. There has been quite a bit of worry, and there has been considerable comment in English journals on that. I read some comments to the effect that there probably would be a revision of their ideas. As a matter of fact, the charter of the B.B.C. even at the present time provides for the commission sponsoring programs. But the rules and regulations under which these sponsored programs should go has not been to encourage any advertisers in Great Britain to use the B.B.C.

There is one other comment I should like to make in connection with the organization that associated themselves with the Canadian Association of Broadcasters in presenting the brief heard yesterday, and that is as to the large amount of money that is being spent annually by this organization, the Association of Canadian Advertisers and their members in advertising throughout Canada. They are the major spenders on all mediums. They estimated yesterday that their annual expenditures is in excess of \$20,000,000 for their seventy members. I should like to point out that, in our opinion, an organization such as that, spending that amount of money to increase its programs—and which is naturally for the good of us all—constitutes a major factor in any return of prosperity we may have. We believe, as an association of broadcasters, that it is quite our duty and to our interests, and to the interests of Canada generally, to encourage the expenditure of advertising money along broader lines; and we do believe that radio, being now an accepted medium of advertising, and participating to some extent in the expenditure of that money, again becomes quite a factor in the return of prosperity.

There is another point. It was discussed this morning by Mr. Ashcroft, who by the way is not a member of our organization, and as has been explained, was speaking personally. But he did point out that radio stations holding a licence from the government to broadcast should look upon themselves as a public service, and should treat themselves as broadcasting in the interest of the public. I think it might be in order, therefore, if I were to discuss with you just what radio stations do to live up to that obligation. I have before me a list of the charities that we served free of charge in the last year. When I say "we," I am talking about the stations generally. I wrote to my member stations and asked them for a list of their charitable activities so that I could bring it before you. We have on this list some thirty odd charities. I see before me the Federation for Community Service, Ontario Council of Education, Better Business Bureau, Canadian Red Cross, Poppy Fund, King George V Jubilee Cancer Fund, Dominion of Canada Loans, Federation of Catholic Charities, National Sanitarium Association, Social Hygiene Council, Ontario Safety League, Ontario Provincial Highway Department, Ontario Boys Work Board, Post Office Department, Police Department, Boys Scouts Association, Health League of Canada, Star Santa Claus Fund, Star Fresh Air Fund, Canadian Legion, War Veterans Organizations, Federation of Jewish Philanthropies, Canadian National Institute for the Blind, National Council of Women, Toronto Chamber of Commerce, Toronto Centennial, Toronto Tourists and Convention Association, Scott Institute, Salvation Army, British Empire Service League, various service clubs such as the Lions Club, Kiwanis Club, Rotary Club, Toronto Symphony Association, Collegiate Institutes of the Province and Daughters of the Empire. That is our list of charities that are regularly served; not once, but over the entire year we probably put on hundreds of charitable broadcasts, providing not only the time but the talent at our expense, in order to give publicity to the charitable works, for which we get nothing.

By Mr Woodsworth:

Q. Is it quite fair to include Dominion of Canada Loans?—A. We did that as a national service. Probably it should not be called a charity. If you like,

I will strike that out; except that we are the only medium of advertising that publicized the Dominion of Canada Loans that did not get paid for it.

Carrying on further as to how radio stations lived up to the obligations that are imposed upon them by reason of broadcasting under a licence, I should like to present a list of special features. These were broadcast particularly by CFRB, and I do not think anything like all of them were broadcast over a network. But we believe that they are the kind of special features that can quite well be broadcast over a network because they are of national interest. A number of them were. Of course, there are others which were not. During the past twelve months these are the special events of interest to listeners that were presented by station CFRB, the one I am directly responsible for. These are not commercial. These are paid for by us, brought into the country at our expense and broadcast over our transmission without, of course, any other recompense than to increase our listening audience and to give service to our listeners. The list is as follows: Christmas message of the late King George V; proclamation of accession of Edward VIII; funeral service of the late King George V; Mr. George Bernard Shaw; Right Hon. Stanley Baldwin; Mr. Lloyd George; Mr. Ramsay MacDonald; Eamon de Valera; broadcast from Dicken's House, London; Bob McLean from Ethiopia; broadcast from Liechtenstein, Europe's smallest monarchy; weekly international broadcast from Europe or Asia; launching of the Queen Mary; Hans Christian Anderson program from Denmark; Oxford Cambridge boat race; Grand National steeplechase; Epsom Derby; Wimbledon tennis matches; Davis Cup matches; Christmas carols—King's College, England; Sir Frederic Whyte—British news commentator; Benito Mussolini; Andrew Carnegie centenary from Scotland; Toscanini concert from Paris Opera House; The Pope; Chancellor Hitler; funeral services of King Albert of Belgium; funeral services of Dolphus of Austria; wedding of the Duke of York and Princess Marina; special Christmas and Easter broadcasts from various parts of the world; very Rev. Hugh Richard Lawrie Sheppard from London; Lord Tennyson commemoration from London; Barcarolle broadcast from Venice; Saar plebiscite broadcast; Armistice broadcast from London; Swedish symphony from Stockholm; broadcast from Milton's College; Dean Mathews from St. Paul's Cathedral in London; King George Jubilee program; Sir Arthur Newsholme from London; Commander Stephen King Hall from London; John Keats anniversary program; professor Albert Einstein; International Labor Conference from Geneva.

By Mr. Martin:

Q. Mr. McIntosh and I were once over there. What did you broadcast over there?—A. The broadcast was of speeches at the Labour Conference that was then in session, by some of the leading labour authorities. Continuing the list: G. K. Chesterton on "Freedom"; the late Rudyard Kipling; Admiral Byrd; Wyndham Lewis from London; Sir Ernest Benn from London; Oxford-Columbia Universities Debate. That is the list that CFRB has broadcast in the last twelve months of events that were of public interest.

By the Chairman:

Q. Without any remuneration?—A. Without any remuneration, of course.

I have here a list of the services of the type of service that a full time station renders to the public, divided into the types of programs that it puts on. A full time station is usually considered to be one that spends sixteen hours a day on the air. The station that I am quoting you now is typical of the stations that broadcast on full time. The amount of time that we spend on the air weekly is 109½ hours or 438 hours for a four week period. To fill that time it requires a total of 1,496 programs, approximately. I have classified these programs into the major classifications, as I thought it might be of interest

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to put in the record. During the month which we reviewed here, which is a typical month, there were 64 children's programs, 264 popular music programs; 124 dance music programs; 140 drama programs; 72 programs directed to women's interests; 48 programs of old time music, barn dances, etc.; 132 news programs; 60 programs dealing with sport; 68 educational programs; 20 programs for farmers; 116 programs of classical music, 108 programs of semi-classical music; 52 religious programs and some 228 miscellaneous programs that do not fall into any of these categories, some political and others.

By Mr. Martin:

Q. Is that typical?—A. That is a typical month of a radio station.

Q. Of all stations?—A. Yes.

By the Chairman:

Q. How many programs?—A. 1,496 is the average there, that have to be provided for a station operating on full time.

By Mr. Campbell:

Q. How many are sustaining? Are they mostly all commercial?—A. No. That is a point that was talked of yesterday, and I believe the witness that was asked felt he was not competent to answer. The average station never expects to sell—at least, it is very good business if it could sell to sponsors or advertisers approximately 35 per cent of the time it is broadcasting on the air.

Q. Is that general?—A. Yes.

Q. In the States as well?—A. Yes. There is another point that was discussed yesterday, and which I think perhaps I might mention here; that is the question of listener interest. There was considerable discussion that went on yesterday over the question of surveys and how best listener interest could be served. In the operation of a private station, as you can see, it is very necessary that we find out, firstly, what listeners we have and, secondly, what they like. It is important for this reason, that all of our revenue—the station that I am referring to is CFRB, particularly—one hundred per cent of it, must come from advertising programs paid for by advertisers who participate not one penny in the licence fees that are collected by the Canadian government. So we have to do a selling job; and to do a selling job, you have to have something to sell. The only thing you can sell on a radio station, which is similar to a newspaper in that respect, is circulation; and circulation, with us, means listeners. Listeners can only be procured and can only be held to your station by producing the kind of programs that the listeners require and like to hear. With that idea, the radio stations of Canada spent a considerable amount of time checking on their listeners to try and find out just what those listeners do like and how the program service that the stations are providing is going over. CFRB, for example, during one season is in receipt of in excess of 50,000 letters a month from listeners. I will agree that a lot of that mail is drawn by means of bait. We offer inducements to get people to write in. But the primary reason for that is to find out what kind of listener audience we have, where it is located and what it likes. It is with that idea that these surveys were suggested in the plan that was put on yesterday. We have found—and it is rather interesting when you analyze listener habits—that notwithstanding the fact that some people believe there should be no advertising on the radio, the programs produced in Canada and the United States that definitely commend a listening audience are programs that are sponsored by advertisers. There is no sustaining program—and when I say sustaining program I mean a program that is put on at the station's expense—that can command anything like the audience that the average high class commercial program can command.

By Mr. Bertrand:

Q. You do not ask the people anything about the sustaining programs?—
A. Oh, yes, we do.

Q. You do?—A. Yes. I can explain that. I am not saying it is because the commercial programs are, of necessity, so much better than the sustaining programs. But it is explained in this way: When an advertiser is spending a considerable amount of money to put a program on the air, he first must get a return on that money by selling goods. That is what he is looking for. He cannot sell goods unless he procures himself a listener audience. That can be done by a combination of activities. Firstly, he must have good entertainment. That is a prime requisite of an advertising program. It must be entertaining and it must be appealing. Therefore they wrack their brains for original ideas, for new thoughts, for real entertainment which will catch the listeners. Then they supplement those activities by promoting a listening audience through all the regular means of advertising. Very few advertising sponsors that are spending any large amount of money on radio ignore the newspapers, magazines, billboards, window displays or all the other recognized forms of advertising to not only advertise their goods but to advertise their radio programs, notwithstanding the fact that they are on the air. It is for that reason that they are able to build up an interest in their programs and are able to build up personalities on the programs.

By Mr. McIntosh:

Q. Just there I should like to ask a question. If you have that variety of methods of advertising to sell goods or move goods—the newspaper, the billboard, the radio and so on—how do you come to what you might call a business conclusion as to the value of radio advertising in that regard? How do you make a breakdown on the combination of methods of advertising to find out what selling power is attributable to the newspaper and what selling is attributable to the radio and so on?—A. The larger advertisers, some of them, make a breakdown in their own minds. How they do it, I am not just prepared to say. But the final result of any advertising campaign is the amount of goods you sell based on the expenditure you make.

Q. And the satisfaction after you get those goods?—A. Exactly. That, of course, is always necessary. I mean, it is just the same as attempting to make a breakdown between two newspapers in the one area or between a magazine and a newspaper covering the same territory. I mean, it is difficult. In some cases of nationally advertised products where a concern is merely trying to get its name or trade mark over to the largest number of people, it is probably impossible to make a breakdown. Another idea, the way they usually do in advertising—and they do it in newspaper advertising—is that they will try it out on the dog somewhere. They will take a radio campaign only in one section of the country and find out what effect it has there. Then they take a newspaper campaign in one section and find out what its effect is there. In that way you will get a check. That is something that the advertising specialists know. That is their business, to advise their clients how best they can spend their advertising appropriation.

Q. Your opinion is that radio advertising is itself an effective instrument of publicity?—A. That is the opinion of the advertisers, or they would not pay me for the time I spend, or the talent to entertain the people.

Q. I was thinking on another angle. Of course, that is the usual answer we get. Do you not think that a big merchandising business, or one advertising a competing business, would spend some money on the air just apart from selling goods?—A. No.

Q. But to keep their name before the public?—A. No. Our experience is that they do not spend any money to keep their name before the public. They

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only spend money to sell goods. That is the suggestion that the Aird report made in 1929, that some \$700,000 could probably be procured from what we call sponsored programs—that is the type of program you are referring to—to keep their name before the public. It would not get \$7,000, never mind \$700,000.

By Mr. Martin:

Q. The suggestion is frequently made that radio advertising promotes newspaper advertising?—A. It does. We always recommend that they combine radio advertising with a newspaper campaign. We do so ourselves.

Q. Does that include well known weeklies?—A. It includes all newspapers in the area where we are seeking for coverage.

By Mr. McIntosh:

Q. You would not spend much money on that?—A. We spend a considerable amount of money.

Q. Drawing attention to your radio programs?—A. Yes. We spend a considerable amount of money selling the goods we offer for sale over the radio.

Q. Your viewpoint is that advertising is a kind of wheel in which they are all combined into one united pulling effect?—A. Yes. In some specific campaigns where they may be spending \$300,000 to \$400,000 in advertising through several mediums I do not think it is possible to select any one medium and say that is the one that does the job.

Q. Billboard advertising is diminishing, is it not?—A. I do not see much evidence of it. I think it is changing. I am not an authority on that type of advertising, although I have bought many thousands of dollars worth of it. The older forms of billboard advertising are being replaced with Neon signs and specialty features. That is a change in advertising methods, but is is the same old billboard tricked up.

By the Chairman:

Q. You are really concerned with radio advertising, not billboard advertising?—A. Yes.

Mr. MASSEY: I might say for Mr. McIntosh's benefit—

The CHAIRMAN: Will it be to his benefit?

Mr. MASSEY: I hope so!—that the programs that go over the air must be billed. You must create your audience, and it would take a considerable length of time to create audiences for programs, no matter how good they were, if newspaper advertising were not employed. Radio has made a distinct contribution to newspaper advertising in that way. Most newspaper men feel that when an advertising program goes on the air the newspapers are losing thereby, but in reality it is a supplementary medium of advertising.

The CHAIRMAN: I took note of that in the Sage broadcast which was advertised in all the newspapers!

Mr. MASSEY: Quite so.

Mr. MCINTOSH: I understand now, from Mr. Massey, how radio advertising becomes effective.

WITNESS: Another point I would like to comment upon briefly is the education aspect of broadcasting. A number of associations have appeared before this committee representing largely educational groups and groups interested in specialty broadcasts along educational lines. The stations I represent are also very interested in that angle of broadcasting, interested just as much as any educational associations are, but only to the point that the public will absorb such programs. In other words, we do not feel that tremendous drives should be made on filling the air with educational programs to the

point where the people will not listen. After all, the man who twiddles the dial on the front of the radio is the one who has the final word as to what we shall broadcast to him, and if it happens that a man is discussing the stars in their courses at eight o'clock in the evening at the same time that a fine orchestral program or a hockey broadcast is on the air the astronomer will have to take second place. But we do a great deal of educational work, and our stations generally are available at no cost to educational organizations for the use of their facilities if they want to put on educational programs. That policy has been adopted regularly. We treat educational programs as sustaining programs, and any educational association across Canada who desires to organize—and we have many—a series of educational broadcasts will find that the facilities of the radio station are available to them at no cost to them in the same manner as we make our facilities available to charitable organizations. I do not think anyone who came here suggested that that was not so, but the impression may have been created that educational associations have found difficulty in getting time on the air. The fact is the reverse of that. We find difficulty in getting educational organizations to prepare educational programs for our listeners.

The question of news broadcasts has been quite contentious. I read the brief presented here by the Canadian Press and also read some of the material given to you by a representative of Trans-Radio News. Our stations get news casts from a number of sources. We recognize they are very necessary. We get spot news only. None of our stations adopt any editorial policy. Most of our stations put on only spot news and leave it to the newspapers to carry the details.

By Mr. McIntosh:

Q. Are those sources of which you speak both national and international?—

A. A number of our stations carry Canadian Press reports, and some work in close harmony with the newspapers in their respective localities. We do not carry any news originating in our studios. We have wires into the Toronto Globe and the Toronto Evening Telegram newspapers, and from those two sources we broadcast four news casts each day, from the Globe at 8 a.m. and 1 p.m.; and from the Toronto Evening Telegram at 6 p.m. and 11 p.m., all put on by the Toronto Globe and the Toronto Telegram direct from their editorial rooms.

By Mr. Campbell:

Q. Both sustaining?—A. Yes.

By Mr. McIntosh:

Q. They would be sustaining from the Toronto Evening Telegram and Toronto Globe?—A. Yes. They provide that service, and so far as our stations are concerned we do not see any need to subscribe to any other news-gathering agency. Other stations subscribe to news services provided by Trans-Radio. They get a general outline of national and world news. Some stations supplement the news activities to which they subscribe by correspondents, particularly from Ottawa where there is news of interest happening all the time. Some stations keep correspondents in Ottawa who provide them with spot news from time to time. In other words, our stations use every legitimate means to get the kind of news in which their listeners are interested.

Referring to the presentation of the Canadian Press, may I say I think all news on Canadian radio stations is properly acquired through legitimate sources and properly paid for. I do not believe I know of any cases in Canada where there is pirating of news such as seems to be suggested in the brief of the Canadian Press.

[Mr. Harry Sedgwick.]

By Mr. McIntosh:

Q. Do you get international or continental news into Canada from the United States?—A. Yes.

Q. Are you using that news?—A. Yes. We get it through our newspapers in station CFRB, and the newspapers edit it.

Q. What newspapers?—A. The Toronto Globe and the Toronto Evening Telegram. They take the responsibility for the news put out over CFRB, and edit it themselves. In the case of a station getting international news through the teletype or wire or short-wave radio, the station staff themselves edit the news. We believe, in that connection, that our people are respectable citizens who are just as capable of editing news casts as newspaper people, and as able to prevent un-British or anti-British news from being broadcast as they are. I do not think there have been complaints in that regard in Canadian radio. We feel we do an ethical job, and that not only in our news casts but in other types of entertainment and advertising we have kept a careful watch so as not to offend.

Q. Is all your international news edited by those two papers you have mentioned before it is broadcast?—A. Yes.

By Mr. Howard:

Q. Did you say the Globe and Telegram have the right to allow you to broadcast the news?—A. No; they broadcast it themselves from their own editorial rooms.

Q. Do you charge them anything for doing so?—A. No.

By Mr. Campbell:

Q. Your association feels that they should be allowed the right to get the news from any legitimate source they wish?—A. Yes. We certainly do not agree with the pirating of news, the stealing of news out of newspapers and putting it on the air. That is not done. We think we should be entitled to buy news or subscribe to a news-gathering service wherever we can find it, and pay any price we arrange to pay. We merely put on spot news. During the Moose River tragedy we were absolutely swamped with telephone calls if we did not put on a bulletin every few minutes.

By Mr. McIntosh:

Q. You are not really afraid of American propaganda?—A. No. We are perfectly capable of seeing that no anti-British or un-British or pro-American propaganda goes over the air from our stations. The Columbia broadcasting station or the NBC may carry Canadian Press radio dispatches, but that seldom occurs. Ordinarily all news that goes over Canadian radio stations is edited and prepared for broadcasting in Canada by the newspapers or the radio stations themselves, and I am not the slightest bit afraid of any propaganda going on. We are very anxious to see that none does go on.

By Mr. Bertrand:

Q. Did you read in the report the statements that were made here by the Canadian Press?—A. Yes.

Q. What do you say about those?—A. I think they are setting up shadows to box at. Surely the Canadian Press are censoring their own news in their own newspapers. Surely they are not the only people capable of seeing that propaganda is kept out of the newspapers. We are just as capable as they are of doing it.

By Mr. McIntosh:

Q. Do not you think one of the biggest factors in keeping news service pure and elevating and capable of developing public opinion are the people themselves?—A. I think so, yes.

Q. I would imagine so?—A. I think so.

By Mr. Campbell:

Q. Do you find any difficulty in trying to sell your time to Canadian sponsors?—A. We always have trouble, of course.

Q. I mean as to cost?—A. Yes. Network broadcasting in Canada has practically disappeared commercially on complete networks, that is trans-Canada networks, because of the high cost. The only network broadcast that consistently went out across Canada last year was the General Motors hockey broadcast on Saturday nights.

By Mr. McIntosh:

Q. It is more adaptable to some large and important national question upon which you want to have a radio broadcast, or something of international importance?—A. We were talking of the commercial end of it, and Mr. Campbell asked me if we found difficulty in selling time to national advertisers over national networks. We do, but that is not my job; it is the job of the Advertising Agencies who were represented before you here yesterday in the person of Mr. McLaren. I know it is a fact that there is not one national network going on trans-Canada and only one last winter, which was the General Motors hockey broadcast on Saturday night.

By Mr. Campbell:

Q. Would not your association welcome some of them?—A. Yes, not only for our own benefit but for the benefit of the listeners, because when a person in one swoop can cater to the entire population of Canada he can afford to spend a great deal more money on his entertainment, and therefore the listeners will get finer programs and will be weaned away from listening to stations across the line. That is the very life of our industry, to keep Canadian listeners listening to Canadian stations, and that can only be done by providing high-class entertainment over Canadian stations.

Q. Have you anything to add to this plan submitted yesterday?—A. No; but I would like to discuss the question of networks. A great deal has been said about networks and monopolies and what they mean, referring very largely to the networks in the United States such as the Columbia Broadcasting System and the National Broadcasting Company. The networks over there are not owned by a company, contrary to the popular conception. The Columbia Broadcasting System, which is a network consisting of 103 stations in the United States, does not own all those stations. The Columbia Broadcasting System as such is merely an organization which makes a deal with a privately owned station to provide sustaining programs of high quality, very much higher quality than any individual station could possibly afford if it operated independently, and in return the station pays the Columbia Broadcasting System for that service and permits the Columbia Broadcasting System to sell that station's facilities on a network to advertising sponsors, and when those facilities are sold the system pays the private station owner.

Q. What about the lines?—A. They are included in the sale price. The Columbia Broadcasting System acquires the lines and includes them in the sale price to the sponsor, and the sponsor has not to worry about any line charges. They buy them in groups and sell them in toto. The sponsor does not bother about lines. That is what a network is in the United States, not a monopolistic group of people owning and controlling practically all of the sta-

[Mr. Harry Sedgwick.]

tions in the country, as is the popular conception. I think the Columbia Broadcasting System actually have an interest in 8 out of 103 stations. The rest are carrying on their own business with the right to take or reject programs as they see fit.

By Mr. Bertrand:

Q. Would it not be possible for a government commission to own all the stations in Canada and put such programs on the air?—A. It would be very expensive, because the Columbia network spent a great deal of money on their own sustaining programs. One of the sustaining programs going out over Canada that originates in the Columbia Broadcasting System is the New York Philharmonic Orchestra on Sunday afternoons. There is no organization that can compete with the New York Philharmonic. We have simply orchestras. I think it would be very difficult, very expensive, to do what you suggest. The amount of money spent in the United States on radio is estimated to be approximately \$175,000,000 last year. That covers a lot of talent and a lot of station time.

Q. You are not in favour of nationalizing all stations in Canada?—A. I do not think it is feasible or possible without tremendous cost. I do not think the cost should be borne by the radio listener. I think it would run you into a tremendous figure.

By Mr. Campbell:

Q. You feel that the listener can be served by private stations with a little more power and coverage?—A. Yes, by co-operation between the Canadian Radio Commission and the private station owner, so that both can work together for the benefit of the Canadian listener and produce the best type of programs he can get, by combining the facilities of the radio commission and the private owner. After all, the bulk of the facilities used are owned by the private owners; the radio commission owns very little in the nature of physical equipment. It seems logical that there should be co-operation between the radio commission and the private station owner whereby all these facilities can be combined. Any other method, in my opinion, will chase the Canadian listener into the American stations.

It is interesting to note that the sum total of all the power used by the some seventy odd Canadian stations is about 65,000 watts as against the sum total of the power used by the 700 odd American stations, approximately 2,500,000 watts. That is the ratio between our Canadian stations and the American stations. There is one station, WLW in Cincinnati that has an output of 500,000 watts, nearly ten times the total power of the Canadian stations. There are twenty-nine 50,000 watt stations operating in the United States. The highest powered station in Canada is possibly CKY in Winnipeg, a 15,000 watt station.

By Mr. Bertrand:

Q. You have never asked for an increase?—A. We have had an application in for an increase in power for some years.

Q. You have been refused?—A. We have never been granted it.

Q. What is it now?—A. 10,000 watts.

By Mr. Woodsworth:

Q. What does that ratio mean? You would not suggest that that is the reason a great many of these stations are not available?—A. Oh, no, that is not so. I am not suggesting that that is the ratio on which we can hear them in Canada, but the fact that there are twenty-nine stations of 50,000 watts operating in the United States, practically all of those stations of higher power are heard and can be heard regularly in some parts of Canada.

By Mr. Bertrand:

Q. Did you hear Mr. Blais' testimony?—A. I did.

Q. Where he said that at times they only heard Mexico?—A. That is right.

Q. What is the power of that station?—A. 100,000 watts. It is unfortunate that it is operating on exactly the same channel as one of the Canadian stations. I do not know the reason for it—I have my own idea—but I do not know why it should be.

By Mr. Howard:

Q. Mr. Sedgwick, speaking of the individual station's commercial broadcasts—I do not want to ask what your charge would be for a half hour's broadcast on your station.

Mr. CAMPBELL: That is on file.

By Mr. Howard:

Q. But what would be the increase to have a nation-wide hook-up over the local station?—A. If you originate a program in one station, the cost there is the station time for the length you are booking. When you increase that to take in two stations you add to it the amount of line charges and the amount of station time for the other station. When you increase it to take in the trans-Canada network you add to it the individual charge for every station that you are adding, plus the necessary line charges to take that program to the other stations. It can be a figure anywhere from hundreds of dollars to thousands of dollars, depending on the number of stations you are going to add to make your trans-Canada network.

Q. You could not do it cheap enough so that very many companies would take a national hook-up?—A. There are not very many companies that do a national business.

Q. Even if they did, supposing you are broadcasting from Toronto you have a coverage of one of the densest parts of Canada, the same as from Montreal?—A. That is right.

Q. To get the same amount of population you would have to go thousands of miles?—A. That is right, but the station time is very much lower in those lower centres of population. They operate very much cheaper. The line charge is a larger figure. The plan we suggest, I would say, will go a long way towards curing that defect. And you will notice that Mr. Pasmore mentioned it that the radio stations themselves are willing to co-operate by absorbing some of that cost, in other words, cutting down the amount of their charges in order to encourage that type of business, because it is a desirable type of business and, of course, the type of business that will hold listeners to Canadian stations.

We discussed the matter at our convention when all of these 44 stations were represented, and we endorsed the principle now adopted in the networks in the United States of so reducing our station charge for national advertisers so that we could absorb some portion of the present line cost in the hope that we would be able to get the line cost down, under the plan we suggest, to the point where we can absorb all of it and supply to the advertiser a group of stations.

By Mr. Woodsworth:

Q. Is it the practice to eliminate line charges by the use of electrical transmission?—A. You mean electrical transcription?

Q. Yes.—A. That is being done at times. It is not entirely to eliminate line charges, because under our plan it will be cheaper to put on a line program and broadcast it on a line of stations than it will be to pay artists and make transcriptions. When you go to the Columbia or the N.B.C. and buy a network,

[Mr. Harry Sedgwick.]

you buy the station time which includes the line, and which is cheaper or approximately the same amount you would pay if you went out and bought those stations as spot stations, which means booking them individually; in addition to that you would have the cost of talent and transcription. So that while the transcription business has competed with network business, it has not competed successfully in the United States. Except where a station is unable to clear a time at a specific spot to take care of live programs, a company may decide to transcribe that program and put it on whenever they can purchase it.

In connection with stations that are not affiliated with a network, an advertiser may decide to use a network for his live program and have that program transcribed to be used on stations not affiliated with the network.

Q. Your answer to Mr. Howard is hardly true, that the cost of a trans-Canada movement would hardly be the cost of each station that was drawn into the network. There would be some sort of a bargain in price?—A. Yes, sir. I was answering that question as to what the cost is to-day. That is the cost to-day. The cost to-day of a network program is the cost of your talent, plus the cost of all the stations you use, plus the cost of the transmission line to get that program to those stations.

By Mr. Campbell:

Q. In other words, there is no co-operation?—A. Well, we have not got it worked out. But the plan we suggest will do what I already mentioned, it will cut that cost down to the point where we hope we will be able to absorb line charges and thereby encourage more advertisers to use wider networks.

By Mr. Johnson:

Q. You suggest something along the lines of the American broadcasting system whereby the Canadian Radio Commission might take the place of the N.B.C., and when they were putting on a network to buy the facilities of the privately owned stations?—A. That is right. That is substantially what the plan suggests.

Q. That would be practically private ownership under governmental control?—A. It would be the same thing. As I explained the set-up of networks, I do not think anybody really understood just what the network was. I know dozens of people tell me about these great monopolies owning all these stations, but I know that neither the N.B.C. nor the Columbia System own their stations. They own key stations where they originate programs. The great majority of stations they are affiliated with are not even the subject of a contract. Take CFRB or CRCT in Toronto, we are affiliated with the Columbia System and the National Broadcasting System respectively only for the purpose of taking advantage of the programs that we can use, of the desirable type, with absolute freedom on our part to reject or refuse any program they want to submit to us.

By Mr. Campbell:

Q. That is common practice with a good number of the Canadian stations?—A. There are four or five.

By Mr. Howard:

Q. What is the most popular time for a musical program?—A. 8 to 9 o'clock in the evening, probably. When I say that, I mean that is the time at which we figure the audience is at its peak. I do not know that it is more popular for musical programs, except the musical programs generally being of the popular type, you will find that a large amount of money is being spent on them and they are designed to go to the major centres of population when the audience is likely to be at its peak.

By Mr. Campbell:

Q. Have you many applications from American advertisers to allow the program that they put over an American network to go through your station?—A. We have had some. The maximum that CFRB has ever carried of a program originating on the networks, out of 110 hours a week on the air, the maximum time that has ever been used by that program has been 8 hours a week. Those programs are sponsored and paid for by Canadian companies which are manufacturing, distributing and selling goods in Canada. I will refer to the Ford Motor Car Company. The Ford Motor Car Company's Sunday evening hour originates in Orchestra Hall in Detroit. It is given by the Detroit Symphony Orchestra, and that comes over CRTB sponsored by the Ford Motor Car Company of Canada and paid for by them.

Q. That principle could be followed a great deal further than it is at the present time?—A. We think so.

By Mr. Howard:

Q. Take that as an example, supposing they are on the air between 8 and 9 o'clock at Toronto, that would mean 7 o'clock in the Maritimes and 11 o'clock at the Coast?—A. That is right.

Q. That would not be any good; you would have to have mechanical or electrical transcriptions?—A. No, the networks in the United States have gotten over that by repeating a number of major programs. Amos and Andy repeats at 11 o'clock out of Chicago for west coast distribution, so as to get down to the west coast at a reasonable hour, rather than going on at 7 o'clock in the east and arriving at the west coast at a very much later time.

By Mr. Campbell:

Q. That is done by electrical transcription, is it not?—A. No, no, just to repeat. We have done it here in Canada.

By Mr. Martin:

Q. Only in small programs?—A. No, we broadcast a program in Toronto that was broadcast from 8 to 9 in Toronto, and it was repeated again at 11 o'clock in the Toronto studio and fed to Winnipeg west.

Q. You could not expect the Ford program to be duplicated on the same night?—A. They have done it. The Waring program used to repeat. We produced the Waring program at Varsity Arena. We persuaded Fred Waring to come up for the benefit of the Federation of Community Service last fall, and we produced the Waring program for eastern distribution from 8 to 9 o'clock and repeated that program again in the Varsity Arena from 11 to 12 o'clock for western distribution. That is quite a common practice. It is expensive, but it is done and done regularly.

Mr. HOWARD: The Sage program was also repeated.

WITNESS: Well, was it?

By Mr. Martin:

Q. Have you an electrical transcription of that?

The CHAIRMAN: I have the assurance from Mr. Massey that it will never be repeated again.

WITNESS: I do not know whether we ever made a transcription.

By Mr. Martin:

Q. Were they ever put on records?—A. I do not recall. We will transcribe programs at the request of advertisers for a fee. I do not think we were ever asked to transcribe that.

[Mr. Harry Sedgwick.]

By Hon. Mr. Howe:

Q. As I understand it, the broadcasters take the view that chain broadcasting is a function of the Radio Commission and that the present practice is satisfactory?—A. It has not worked out satisfactorily because of the high cost of it, but we believe that co-operation between the Radio Commission and the private stations will make chain broadcasting feasible, profitable and useful to the listeners. I do not think the Radio Commission should go into the commercial business. I do not think a government body can do the high-powered selling job which it is necessary to do in order to sell any kind of broadcasting. The usual selling methods that I may be using as a private operator, or that any other salesman may use, are not suitable for a government body to work under. I do not think it is possible. In my selling methods, I might wish to give someone a box of chocolates, and I do not think it would be proper to use government funds to provide boxes of chocolates. Still that may be a method which I would use in order to sell my goods.

Q. You believe that when you can sell a chain broadcast, the proper arrangement is to have the arrangement for the chain in the hands of the Radio Commission?—A. We believe they should have the line and they should be permitted to sell that line so that we can organize chain broadcasting, yes.

By Mr. McIntosh:

Q. You believe in Government control plus private initiative?—A. Exactly. We think that is the only system that will ultimately produce the type of entertainment and the type of broadcasting that Canada must have to maintain listeners of Canadian stations. We are up against very heavy competition. I can point you to the *Globe* that is sitting up there, and I think it is true of all papers. Every morning they have features on the radio. In that one sitting up there there are 130 features copyrighted by the newspaper as the features that they are suggesting that their listeners listen to. Of that number six of them only originate in Canada, and two are *Globe* announcements. That is the competition Canadian radio stations have to face.

MR. WOODSWORTH: Government control will still leave you the right to give a box of chocolates?

WITNESS: That is right.

By Mr. Howard:

Q. You have read the letters and the answers from the Republican Committee to the Columbia Broadcasting Corporation?—A. I have, sir.

Q. Do you agree with those statements?—A. We do.

Q. You think that is the proper way to handle the political end of broadcasting?—A. I do, yes. Our association has not been consulted. I got them myself, because I read in one of the trade journals where they were available. I asked for them and I agree with them.

By Mr. Martin:

Q. What are they, substantially?—A. It is a lengthy document. If you want one I will give you a copy of it. I cannot quote it. As a matter of fact, an argument developed between both the N.B.C. and Columbia and the Republican National Committee as to the rights of the networks to broadcast. It originally started when President Roosevelt broadcast his message to Congress, at least, when the networks broadcast it and did not charge him for it. The Republican National Committee demanded to know the right of putting it on the air at no charge, and the correspondence between the president of the Columbia—

By Mr. Howard:

Q. To answer that message?—A. Yes. The correspondence between the president of Columbia and the Chairman of the Republican National Committee is quite enlightening as to how private operation is able to handle diplomatically, and properly handle, a very difficult question; that of the rights of political parties on the air. It finally resolved itself into this broad statement of principle, I think; that the networks in the States reserve the right to buy all the time they wish providing all parties competing for the time get the same right to buy the same amount. On the other hand they will quite readily, and often, if in their opinion it is in the public interest, broadcast speeches by the President of the United States, as the President of the United States, but not as a candidate for re-election.

By Mr. Martin:

Q. What have you to say about the allotment of time over the air to political parties, within reasonable limits properly defined, with a view of giving expression to their party programs, and that they should have the use of the air free?—A. There is no such thing, in a way, as free use of the air. Somebody is paying for it. You mean that the political party should have the use of the air at the expense of the broadcasting station owner? If so, I do not care to express an opinion on that. That is certainly going a long way.

Q. A very long way.—A. In other words, we have to pay for these facilities, they do not come to us out of a blue sky. By the time you employ engineers and provide power and transmission lines, it costs a lot of money. There is really no money in political broadcasts to a private station.

Q. There is a lot of enlightenment sometimes?—A. Yes, but there is no money in it. When an election is coming on it means really that you are cutting off commercial people who are entertaining the public and only taking the same amount from the political parties. So far as station CFRB is concerned, I do not think we were a penny in pocket on the deal, so that it was not a bonanza falling into our lap.

By Mr. Howard:

Q. It is thought sometimes that it hurts a newspaper which takes a partisan view; does that apply to a private broadcasting station?—A. We do not take partisan views, sir, in broadcasting political speeches. In fact—

Q. Wait a minute, that is not the question I am getting at. You would rent your broadcasting station a certain time to a political party?—A. That is right.

Q. Would that hurt you like it does a newspaper?—A. Not if we handled it the way we do. We try to be non-partisan. As a matter of fact, we announce prior and at the conclusion of broadcasts which are for political purposes that the facilities of the station have been rented for the next fifteen minutes, half hour or one hour, by such and such a party who will use as their speaker Mr. So and So, and we conclude with the same announcement. So that listeners will definitely know that a political party sponsoring that program have rented the facilities of the broadcasting station, and the station does not take any editorial policy or any political policy.

Q. And the fellow that does not like it turns it off?—A. That is right. He does that on every program, political or anything else. Because all of our activities and all of our suggestions to this committee are designed with the one end in view, and that is the satisfying of the listener, because he pays the shot. He is the man who holds the life and death of the radio stations in his hands. Once we lose the listeners we may as well close our doors. Everything we get must be got from the listener. I do not see how you can get away from that. I have nothing more to say.

[Mr. Harry Sedgwick.]

Mr. WOODSWORTH: If we are through with the witness, and this is our last day—although I know it is one o'clock—I might say we suggested when Mr. Major left the stand the other day that it might possibly be a good thing to have him say a word before he left. He is head of the department of telephones in the west. I do not know whether he has anything to add to what he gave the other day, in view of what has been said.

The CHAIRMAN: I might inform the committee that Mr. Major is Attorney-General and Minister of Telephones in the province of Manitoba. I think the telephone system has been in operation in the west for many years and probably Mr. Major would like to make some suggestions.

By Mr. Campbell:

Q. Does your station deal with both telegraph and telephone lines in making arrangements for networks?—A. Since the radio commission took over the monopoly of the transmission lines, we deal through the radio commission. We have no choice now in the facilities we buy, except for local pick-ups. In buying any facilities that connect one station with another, we have to buy them through the commission and we have no choice of the facilities we use.

Witness retired.

The CHAIRMAN: Mr. Major, would you care to make any suggestions?

William J. MAJOR, recalled.

WITNESS: Mr. Chairman and gentlemen, I have not anything I can offer of a very constructive nature. CKY and CKX are the stations that are owned by our government telephone system, and they are operated as stations similarly, with the same set up.

By Mr. Martin:

Q. Are they members of the broadcasting association?—A. Yes, attached to their association and work very closely with their association; and their experience is our experience. But the point I want to mention is this: It does not deal with the set up of radio, but it does deal with the investing of power in the authority which you may create to remove interference. I am speaking now for the receiver. We in Manitoba—and myself particularly—are frequently in receipt of complaints from listeners that the radio authorities have not sufficient power to remedy interference.

Q. I think that is common all over Canada?—A. Yes, I dare say. I think it is lack of power under the act to do anything, that is the difficulty. You have some competent men, or the department has competent men. I know that is our experience, and I daresay it is your experience in looking after trouble. I think your man's power is limited by virtue of the act being insufficient to give him authority to remedy interference.

By Mr. Howard:

Q. What is your suggestion?—A. May I give you one or two illustrations? In North Winnipeg particularly I requested that a survey be made of about ten or twelve blocks from which complaints had come in very large numbers. It was found that there was a certain chiropractor, I think it was, who was operating a certain type of electrical machine which, through faulty installation, was really a broadcasting station. In other words, we had another broadcasting station there. So bad was it that it was absolutely impossible to secure reception after seven o'clock at night; and naturally complaints were made that the radio commission or the radio station was responsible for all this. We

have no local power at all to remedy this. The man that you have there can make investigations and determine the source of trouble, but he has no power to remove it. The question is can the parliament of Canada invest authority in the commission, or the radio body that is responsible, to cause that interference to be removed?

Mr. McINTOSH: At the present time, if we just investigate and take no action, we are paying a lot of money for nothing. Why not do the job forthwith, why not put some teeth in the act?

By Mr. Martin:

Q. Is there not a legal constitutional difficulty?—A. That is for the Department of Justice to determine. We ourselves very seriously considered, at the last session of the Legislature, the advisability of passing a statute.

Mr. DUPUIS: What is the legal difficulty?

Mr. MARTIN: Constitutional power.

WITNESS: Whether power rests with the Dominion or province. We ourselves considered the advisability of passing a statute at our last session giving a certain body power to remove such objections. But we deferred taking such legislative action pending the determinations of this committee. If the committee here has not power, or at least if the committee decides that the parliament of Canada has not power to give that authority, the province will have to do it themselves.

Mr. McINTOSH: The two combined have the power. There is no doubt about that.

WITNESS: It rests somewhere, and there should be co-operation. Dissatisfied listeners mean that there is an abundance of complaints against the authority or the commission or the broadcasting station, which can be removed. Then there is one other point, and that is station interference. We have the highest power station in Canada, 15,000 watts.

Mr. BERTRAND: How did you come to get that many?

Mr. McINTOSH: This is in Winnipeg. Winnipeg is a progressive city.

WITNESS: This is in Winnipeg.

Mr. BERTRAND: We are not able to get it in Montreal.

Mr. McINTOSH: The west is progressive—

WITNESS: We were working closely with the commission, their idea being, I think, to set up high-power stations across Canada; and being the centre, we determined to do all that we could to get these high-power stations. Accordingly, we have increased our power three different times, from 500 to 5,000 to 15,000.

Mr. BERTRAND: They got one in Winnipeg. I wonder why we could not get one in Montreal.

Mr. CHARLESWORTH: The request from Montreal was 50,000.

Mr. BERTRAND: It is very far below what they have granted in the States; and we have to listen to the stations in the States to-day because the commission did not grant permission to CKAC to increase their power.

The CHAIRMAN: We can take that up with the commission. Will you please allow Mr. Major to continue?

WITNESS: Nevertheless, although we have a 15,000 watt station, we are not getting the satisfaction which we should get due to interference from outside, due to interference from the Mexican station. So great has it been that we have obtained permission to experiment with 910 instead of 960, and we are not getting the satisfaction yet that we should get.

Mr. CAMPBELL: I thought the Mexican station was interfering with Toronto?

[Hon. W. J. Major.]

Mr. CHARLESWORTH: The Mexicans stole two channels.

WITNESS: It is going to destroy radio in Canada to a very great extent unless the parliament of Canada can devise some means whereby those interferences can be overcome.

By Mr. McIntosh:

Q. I agree with you that something has to be done?—A. Whether the convention you entered into cannot be carried out or not, I think the committee should consider very seriously what steps parliament could take in order to provide stations here free from interference.

By Mr. Dupuis:

Q. 15,000 power was not sufficient to overcome that?—A. When you have 15,000 power compared with 100,000 or 500,000 power you have an idea of the difficulties we face. It is the receiving set that is interfered with by the heterodyning. Now, I am referring to the broadcasting stations. Those are the two sources of trouble that I think very considerable thought should be given to by reason of the fact that they create dissatisfaction with radio generally in a very large section of the receiving public, and the complaints go to the broadcasting station or to the Canadian Radio Commission or to the department that is responsible for radio in Canada. If you can remove those objections you are going a long way towards building up a satisfied body of listeners in Canada.

By Mr. Cochrane:

Q. What did you do with that particular case you had?—A. Nothing.

The CHAIRMAN: Commander Edwards, what powers have you under the Act?

Commander EDWARDS: The Federal power is paramount. We are in control.

The CHAIRMAN: Under the present Act have you power to compel removal?

Commander EDWARDS: I suggest that you consider making a recommendation in your report that that power be conveyed to us.

The CHAIRMAN: You have not that power today?

Commander EDWARDS: No.

By Mr. MacKenzie:

Q. Mr. Major, the suggestion has been made during the hearing that licence fees for radio receiving sets should be raised to \$3. What is your reaction to that suggestion?—A. I would strongly advise against any increase in the licence fees.

By Mr. Campbell:

Q. It is most unpopular?—A. Yes. I very strongly advise against it.

Q. Because it is not fair?—A. No, it is not fair. There are many hundreds of our people in the rural parts of Canada who have to depend upon radio in order to keep in touch with other parts of the country but who are unable to afford greater fees. Further, they have no electrical connections and must purchase batteries and are therefore put to greater expense than are the urban residents who can plug into the electrical connections.

The CHAIRMAN: My radio set in my home costs me between \$25 and \$30 a year for re-charging batteries, and so forth.

Witness retired.

The CHAIRMAN: Gentlemen, we have arrived at the conclusion of the presentation of briefs by witnesses other than Commission officials. What is the wish of the committee? I think we should meet this afternoon.

Mr. CAMPBELL: I would like to have Mr. Shaver, the representative of the treasury, here this afternoon.

The CHAIRMAN: Mr. Shaver will be here. Is it the pleasure of the committee that we should sit at half past three?

Mr. CAMPBELL: I suggest four o'clock.

The CHAIRMAN: Then, gentlemen, may I ask you to be here promptly at four o'clock.

Mr. CAMPBELL: Before we adjourn I would like to move for the production of all correspondence and telegrams between the Commission and Mr. Maxted and Mr. Lucas regarding the staff under their jurisdiction in Toronto between the months of January and November last year, and if possible I would like that done early. I intended to ask for it yesterday.

Mr. CHARLESWORTH: There are files of our correspondence down here.

Mr. CAMPBELL: Could you bring the whole of the files up here?

Mr. CHARLESWORTH: What do you want?

Mr. CAMPBELL: The correspondence between your Commission and Mr. Maxted and Mr. Lucas in their official capacity regarding the employees and artists under them, from January to November inclusive last year.

The CHAIRMAN: From January, 1935 to November, 1935?

Mr. CAMPBELL: Yes.

Mr. MASSEY: I think it will be necessary to get the permission of the National Carbon Company before doing that.

Mr. CHARLESWORTH: It involves an enormous amount of correspondence being copied out.

Mr. CAMPBELL: Bring the files just as you did bring the files between yourself and CKNC. You do not need to sort them out.

Mr. CHARLESWORTH: Very well.

Mr. MASSEY: I suggest that this is correspondence with a private company.

Mr. CAMPBELL: No. We have the correspondence here between the private company and the commission, and I am asking for the correspondence between Mr. Maxted and Mr. Lucas and the commission.

Mr. CHARLESWORTH: Most of the correspondence would be with Mr. Maxted.

Mr. MASSEY: I do not agree with Mr. Campbell. At that particular time the station was being operated by the Canadian National Carbon Company.

The CHAIRMAN: I do not think it makes any difference. I think the members of the committee have a right to see the correspondence between the radio commission and any station.

Mr. CHARLESWORTH: Our commission has nothing to conceal.

The CHAIRMAN: Oh, no.

Mr. CAMPBELL: Could you produce that correspondence this afternoon?

Mr. CHARLESWORTH: Yes.

Mr. Chairman, I hand to you a bundle of copies of our opinion on political broadcasting for the use of the members of the committee and the press.

The CHAIRMAN: We will distribute these this afternoon.

Mr. McINTOSH: When will Mr. Charlesworth be called?

The CHAIRMAN: Mr. Charlesworth will be available to the members of the committee all the time.

Mr. CHARLESWORTH: Unless I go to bed.

Mr. DUPUIS: Have we decided that Mr. Shaver be called this afternoon? If so, I move that he bring all the reports he made to his superior.

The CHAIRMAN: Did you come to an agreement with Mr. Shaver?

Mr. DUPUIS: Yes.

The CHAIRMAN: Will you be able to produce the necessary documents this afternoon, Mr. Shaver?

Mr. SHAVER: I think so.

Whereupon the committee adjourned at 1.15 o'clock p.m. until 4.00 o'clock p.m.

AFTERNOON SESSION

The committee resumed at 4 o'clock.

The CHAIRMAN: Gentlemen, will you kindly come to order. I have been handed by Colonel Landry of the commission a review of the financial administration of the commission, with relative comparisons of expenditures of the British Broadcasting Corporation and the Australian Broadcasting Commission; also a memorandum on political broadcasting submitted to the House of Commons select committee on radio by Hector Charlesworth, Chairman of the Canadian Radio Broadcasting Commission.

Mr. McINTOSH: When was that submitted?

The CHAIRMAN: It was just handed to me now. There is a copy for each member. What is the wish of the committee; that we should put this in the record as an appendix?

Mr. HANSON: I think it is essential that we have the commission's report in the record owing to the fact that we have put so many of the others in the record.

The CHAIRMAN: Then that is agreed by the committee?

Mr. McINTOSH: I will second that motion.

The CHAIRMAN: Are you in favour of these memorandums being put in the record? (Carried.)

(Memorandums filed as an appendix.)

Whom do you wish to hear first? I might suggest that as Mr. Charlesworth, the Chairman of the Radio Commission, is not feeling very well he might not be able to be present to-morrow. I am just giving you that message. Would you like to have Mr. Charlesworth this afternoon?

Mr. CAMPBELL: It was not my intention. I thought we would have some of the junior officials before Mr. Charlesworth, but in view of his illness I am quite agreeable.

Mr. McINTOSH: I think if Mr. Charlesworth is not feeling well we should hear him now and get over with it.

The CHAIRMAN: Do you think the committee will be able to get through? You must have in mind just exactly what you want to do. Do you think we will be able to get through to-day or to-morrow?

Mr. CAMPBELL: As far as I know, I think we can.

Mr. DUPUIS: We cannot.

Mr. CAMPBELL: It will not take very long if we sit twice to-morrow, but if we sit only once, we will not be able to finish.

Mr. McINTOSH: I cannot be here in the afternoon.

Mr. CAMPBELL: We can certainly do it by Monday.

The CHAIRMAN: Does any member of the committee wish to ask the Chairman of the Radio Commission any questions at this stage of the proceedings?

Mr. McINTOSH: I intimated to you that I did want to deal with Mr. Charlesworth on the Saskatchewan end of the matter before the proceedings closed.

Mr. HANSON: I also want to ask Mr. Charlesworth a few questions in connection with Northern and Central British Columbia.

The CHAIRMAN: Would Colonel Steel not be able to give you that information, Mr. McIntosh and Mr. Hanson?

Mr. McINTOSH: No, I do not think the Colonel would be able to give that information.

The CHAIRMAN: I mean to say, I would like to make the task of Mr. Charlesworth as light as possible on account of him not feeling very well.

Mr. CAMPBELL: I am quite agreeable.

The CHAIRMAN: Then, Mr. Charlesworth, will you come forward, please.

Mr. HECTOR CHARLESWORTH resumed the stand.

The CHAIRMAN: I will ask the members of the committee to make the task of Mr. Charlesworth as light as possible in view of the fact that he is not well. The other two commissioners are here.

Mr. Hanson, I think you desired to ask Mr. Charlesworth a question or so?

Mr. HANSON: Yes.

Q. This sketch you have produced shows that British Columbia's connection, so far as radio is concerned, is just along the American border?—A. It comes down from Kamloops.

Q. The recommendation made to the commission is that some facilities should be accorded to the whole of British Columbia and also the Yukon and Northwest Territories where it is absolutely impossible under present conditions to get any Canadian radio broadcasts. Has any attempt been made to utilize the Canadian National lines or the Yukon telegraph lines to improve conditions in that portion of the country?—A. We are limited in the matter of our projects; we had not the funds for that. There are no stations up there except at Prince Rupert.

Q. Would it not be possible to connect up with either the Yukon telegraph lines or the Canadian National lines?—A. To feed through Prince Rupert? Colonel Steel can advise you better than I can, but I have gone into the matter. You have to get your feed to Prince Rupert from Edmonton, and from Edmonton to Prince Rupert is a very long way by wire.

Q. You have a connection to Jasper, 250 miles west of Edmonton?—A. We have no broadcasting west of Edmonton.

Q. But the wire is utilized to Jasper?—A. I think the Jasper orchestra comes into Edmonton by telephone wire; it is not part of our circuit. There is no station at Jasper. I think perhaps the Canadian National Hotel there pays for the broadcast from Jasper to Edmonton, and then we put it on the network.

Q. To put it another way, have you ever suggested or made any attempt to enlarge the broadcasting station at Vancouver?—A. Yes, we are all ready to go ahead with the enlargement of the broadcasting station at Vancouver. We have all the plans ready and the transmitter bought, and it is a matter of building the new station, a 5,000 watt station, at Vancouver. If our engineer left to-night he could start work next week on that project. Of course, tenders would have to be let, and various things like that. I do not know whether 5,000 watts would reach Prince Rupert or not. Colonel Steel could tell you that.

Q. Has there been consideration given to the establishment of relief stations in central and northern British Columbia?—A. We have discussed on several occasions the question of relief stations because there are some other points in

[Mr. Hector Charlesworth.]

British Columbia where they do not get proper coverage, up near Fort George, I think. We serve as much of the public as we can under our resources. We admit that there are scattered points in British Columbia where the reception is not very good, where it is erratic. I hear of their getting Trail at some point. To provide the remedy of a relief station in the interior of British Columbia would be part of a construction program which we have not the funds to meet out of our current revenue.

Q. But you are prepared to recommend that something should be done in that portion of British Columbia?—A. I think to obtain coverage on a complete system it should be done, but the problem is quite a difficult one and quite a costly one.

Q. How would it be very costly when the Canadian National runs the wiring?—A. The wire will not do. You have to have your broadcasting station, and any kind of a station would cost some money. Colonel Steel perhaps could give you some idea of the difficulties in broadcasting in mountain country. There are problems there that do not apply to the rest of Canada.

Q. But would you recommend that some consideration be given to that portion of the country?—A. On any construction program which would have to be met by a vote of capital by parliament of course we would give consideration to it, but we cannot remedy that situation out of the present revenues. Such a station, after all, would not serve a very large populace, because most of your populace of British Columbia is down around Vancouver, New Westminster and east of Kamloops; the southern part, where the population is fairly extensive, is pretty well served.

Q. I realize that we have not a great population in that district extending over 300 square miles, but there are people there and I think there should be some provision made for their radio requirements?—A. I think it is Canal Flats where they do not get steady service.

Q. The commission or whoever is going to handle the problem would have to enlarge the station at Vancouver in order to handle the northern territory, or put in sub-stations?—A. Colonel Steel can advise you as to whether an enlargement of your station at Vancouver would meet your requirements or not. I am not an expert in that regard.

The CHAIRMAN: Mr. McIntosh, do you desire to ask Mr. Charlesworth any questions?

Mr. MCINTOSH: Yes, but I would like to run over this brief for a few minutes first.

By Mr. Campbell:

Q. On April 30 when you were last on the stand you made a comparison between the earnings of Mr. Henshaw and Mr. Wishart Campbell, and said they are identical cases?—A. I did not say that.

Q. You left an impression in that regard. Mr. Wishart Campbell's payments are on file here now, and I find he received \$210, for all of the last fiscal year?—A. He is back with us again.

Q. And \$65 previous to the election?—A. I was not trying to put Mr. Wishart Campbell, who is an old friend of mine, into any invidious position.

Q. And Mr. Henshaw received almost \$4,500, while Mr. Wishart Campbell received \$210?—A. Mr. Henshaw was doing more important work than Mr. Wishart Campbell. Since Mr. Wishart Campbell has come back to the commission on the weekly program we have allowed him to come down to sing at the Liberal rally in Ottawa. We do not bother men about that.

Q. A Liberal rally where?—A. In Ottawa.

Q. When?—A. About three or four weeks ago.

Q. I did not know of any?—A. Some Liberal meeting.

Q. Oh, no. I was secretary of that meeting. It was not a Liberal gathering at all, but a Scotch gathering.—A. I thought all the Campbells were Liberals!

Q. Does the commission allow other stations on their network the revenue from commercial broadcasts during the time contracted for by the commission?—A. Yes.

Q. That is good business practice?—A. Yes.

Q. You heard some evidence the other day regarding some expense accounts. Since that time I have asked for the expense accounts of four of your employees. This time I want to make it quite clear to the committee that in naming those four employees I have nothing against them individually?—A. You took the four top names on the list.

Q. Oh, no.—A. They are the men who naturally have the largest expense accounts.

Q. The reason why I picked them out was because of their respective positions. I notice Mr. Dupont was commercial director, and Mr. Taggart was regional programme director and Mr. Oliver happened to be the senior radio engineer and Colonel Landry is your secretary. I have only asked for their accounts in order to establish how the expense accounts were administered, and not because I have anything against either of these men individually. In looking through these vouchers which I have here I note that in nearly every case you have okeyed the vouchers?—A. Yes.

Q. Explain the system?—A. In the last year or so I have been watching the travelling accounts pretty closely and have asked for explanations when necessary.

Q. You okeyed them all?—A. Yes, but I read them, too.

Q. That is the custom in all departments, is it?—A. Yes. We have a checking officer who goes through all the accounts and then Colonel Landry has signing powers on behalf of the Commission; but the travelling expenses come to me because I like to keep a check on them.

Q. And once they are okeyed by you they are satisfactory?—A. I do not okey anything that I do not think is proper.

By Mr. Dupuis:

Q. Have you received from any sources complaints of excessive charges by your officials?—A. No.

Q. Never?—A. The Auditor General sometimes makes inquiries from our department as he does from every other department of the government. Every department of the government is constantly receiving letters from the Auditor General when they would like a further explanation, and like every other department of the government we furnish the explanation. In the case of any accounts I have handled I have never yet received any complaint after the explanation has been made.

Q. The Auditor General's Department always accepted your explanation?—A. Yes, on any matter that I have had to deal with directly.

Q. Do you mean to say that owing to your arbitrary power they had to accept it?—A. No. I think the Auditor General's Department would sooner go after a higher official than they would the little fellows.

Q. We have a report here from the Auditor General stating many complaints as to the excessiveness of the charges?—A. They asked for an explanation of many things, just as they do from any other department of the government, like the Parks branch, for instance.

Q. We are talking of radio now?—A. Yes, but ours is not an isolated case.

Q. Do you mean to say that if there were abuses in other departments of the government you are justified in perpetrating abuses?—A. No. There are no abuses in our commission.

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Q. But you testified that you have okeyed these vouchers because in other departments they okeyed them?

A. No, nothing of the kind. I say that every department of the government willingly submits to the same thing, and the fact that the Auditor General sends us letters about matters is no departure from the general custom in Ottawa. They do not have any more trouble with us than with any other department of the government. I cited the Parks department because they have men on the road a good deal, and their travelling expenses are questioned then.

Q. Would you tell the committee what amount you received in 1934 from the government?—A. I think our vote in 1934 was \$1,250,000, if I remember rightly.

Q. And what revenue did you get from the licence fees or other sources?—A. That would be all from licence fees. We augmented that by some advertising at our stations, but the whole of that amount would be from licence fees. It comes to us out of the consolidated revenue fund.

Q. And for 1934 could you tell the committee if the whole amount of \$1,250,000 was spent?—A. It was.

Q. It was spent?—A. Yes.

Q. And no deficit?—A. There was a slight deficit that year.

Q. Do you know how much?—A. I have forgotten the amount. It may have been the year before. We were put to great deal of expense in carrying over from the first year when we did not have enough money to set up the network, getting only \$1,000,000 that year. But everything is straightened out and there is no such thing as a deficit any more. Although I may say that deficits are not unusual in the government service either.

Q. In the fiscal year 1933-1934 the total revenue from subsidies or otherwise was \$1,120,591.64?—A. I have not the figures here.

Q. And in the fiscal year 1934-1935 the total revenue was \$1,369,000?—A. Yes. The parliamentary vote was \$1,250,000 and the revenue from advertising would be added to that.

Q. Yes, \$146,000. And in 1935-1936 the vote was \$1,500,000 and the other revenue made a total of \$1,659,969.51. These fiscal years ended February 22.

—A. March 31 last, I think. Colonel Landry could give you that. The statement at the end of the fiscal year last was \$1,702,965.45.

Q. Yes. The figure I have before me only takes up to February 22?—A. Yes, that was the total to that date.

Q. Can you tell me what was the function of Mr. Bushnell?—A. Mr. Bushnell is our superintendent and organizer of programs for Ontario and the entire west, from Ottawa to Vancouver, and his territory includes Ontario.

Q. Was he an employee of the National Carbon Company?—A. Mr. Bushnell was formerly an engineer of the National Carbon Company station in Toronto. He was known as the leading program producer and station manager of Toronto. In 1933 when we were endeavouring to make a start ourselves on our network in the west, we started with programs in the east and we wished to bring in the western system. Mr. Bushnell was loaned to us by the National Carbon Company as an expert. He had handled the Liberal broadcasting in 1930, and Mr. King's own broadcasts, and did the network arrangements for the Liberal party. He was an expert, and he was borrowed to go to the west with Mr. Maher who was the vice-chairman and had been placed by arrangement in charge of the program budget to set up the western network.

Q. That was in 1933?—A. That was in 1933. Subsequently we induced him, Mr. Weir having left us at the time, we induced him to leave the National Carbon Company and join up with us. It was a tremendous success.

Q. You say it was while he made this trip to the west that there was an arrangement with the Liberal party?—A. No. I was just giving you some idea

of Mr. Bushnell's standing, pointing out that he had booked the time for the Liberal party and also that he arranged Mr. King's own broadcast in 1930. That was merely for the purpose of illustrating Mr. Bushnell's standing before we ever sought his services.

Q. And, on his next trip did he go there alone do you remember?—A. No, he was with Mr. Maher, but we had borrowed him from the National Carbon Company, and he turned in his expense account to the National Carbon Company and we reimbursed the National Carbon Company.

Q. And how many days had he been in the west with Mr. Maher?—A. I could not tell you that.

Q. Was he more than— —A. The west had never seen anybody connected with the Radio Commission. I went to the west myself in June and I had the pleasure of speaking to all the Canadian Clubs, and to the governments, and of telling them what we were going to do, and our men followed in to organize the network.

Q. Would it be about three weeks?—A. It would be longer than that. He is here and he can tell you.

Mr. BUSHNELL: It was ten weeks.

WITNESS: He could not have done it in three.

By Mr. Dupuis:

Q. It was after that that he left the Carbon Company to become a member of your staff?—A. Yes. We made him an offer. We had no staff, we were organizing our staff still, and we made him an offer to come and he came.

Q. You said that he presented his travelling expenses to the Carbon Company and that you reimbursed that company. Do you remember the amount?—A. No. I would not have the account at all. It would be Mr. Maher who handles this account and Mr. Shaver. I have very little to do with the accounts at all except to inspect them if I wanted to find out anything.

Q. Do you remember any travelling expenses of Mr. Maher and Mr. Bushnell which were questioned by the Auditor General?—A. I believe that the Auditor General wrote for explanations about certain matters. You were asking Mr. Mortimer about that the other day. Bear in mind, sir, that at that time the commission was a new organization. It had been the original intention of Mr. Bennett to send us all together right through Canada to make a survey of conditions together. Circumstances arose, Colonel Steel was late getting back from the Madrid Conference, parliament was attacking us, and various things, and we found we could not carry out that policy, and I went to the west first and the other men followed later, because the west had been clambering since mid-January on account of the lack of attention shown them by the commission. I did not at that time have anything to do with accounts. I was too busy—for instance, this rumour had been spread abroad that I had 2,000 appointments to make, and anybody who has been in politics knows how much time is taken with applicants.

Mr. BERTRAND: Some of the members are kept pretty busy with applicants.

By Mr. Dupuis:

Q. In addition to the travelling expenses approved by you and paid by the treasury, I mean, paid by the commission, to the Carbon Company concerning Mr. Bushnell did you pay him any wages or indemnity for his time?—A. I cannot tell you that. This is all in Mr. Maher's hands. I better tell you exactly the set up as it was in our preparatory period, or rather our construction period. Mr. Gladstone-Murray was sent over by the government as an adviser. After spending some weeks with us he made a suggestion which was adopted by my two colleagues and myself—he sat in practically with us as a full commissioner—

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he suggested in view of the tremendous pressure that was on the commission that I should take over the matter of public policy and the whole matter of meeting the public which was a stupendous task at the time; that Colonel Steel should look after the office staff and the expenses generally and supervise the accounts as far as possible—of course, these are supervised really by the Auditor General; and that Mr. Maher should be in charge of the program budget.

Q. Pardon me, Mr. Charlesworth, I think we are getting away from the question?—A. I was trying to explain and show to you why I would not be directly familiar with these matters that you speak of.

Q. Yes, but you remember very well that you paid travelling expenses to these two gentlemen, Mr. Maher and Mr. Bushnell?—A. Mr. Maher was vice-chairman.

Q. Yes?—A. He was in charge of the program budget and entitled to initial his own accounts.

Q. And besides that you do not remember whether any indemnity was paid to Mr. Bushnell for that trip?—A. I say there was, but it did not come directly under us. We reimbursed the Carbon Company for his services. They paid him. We did not make any special vote as I recall it. Mr. Shaver could tell you about that. Colonel Steel could tell you, but I can't.

By Mr. Campbell:

Q. Mr. Charlesworth, I refer now to Mr. Dupont's expense account. Judging by the amount of travelling he has done he has to be away a great deal, and his expense account strikes me as being rather large. I note that in many cases taxis, for instance, are charged for to a great extent. Do you know where Mr. Dupont lives?—A. Mr. Dupont is now living permanently in Montreal. We had him at headquarters for a time, but he used to have to go to Montreal so much in connection with the French network and supervision of our Montreal station—

Q. Where was he living while here?—A. He had a room, I know, at one time, in the Y.M.C.A., and I think he was living at Bromley Hall.

Q. I notice amounts for taxis here to the station in Ottawa range from 60 cents to 75 cents?—A. A fellow moving his grips back and forth from—

Q. They never charge me extra on that and I move mine. The usual charge is 25 cents. I notice gratuities in Montreal, one item \$2.80; gratuities, red cap and porter 70 cents; another item, red cap and porter 75 cents; gratuities to Montreal \$1.80, and so on.—A. I know, when I travel—

Q. I do a lot of travelling myself.—A. —I give out \$2 a day in gratuities.

Q. I do not think public money should be given out in this way. I think everyone in this committee does a lot of travelling and I do not think they spread out their private funds in this fashion.—A. Seventy cents a day for gratuities?

Q. It is not 70 cents a day for gratuities. Red cap and porter, 75 cents; then a little further down gratuities in Montreal, for I think, two or three days, \$1.80; then gratuities, red cap and porter again, 70 cents. I note that in nearly every case Mr. Dupont has a set figure that he charges for his meals: breakfast, 65 cents, lunch \$1.10, dinner \$1.25, total \$3. It goes through every day the same way.

Hon. Mr. HOWE: That is reasonable, I would say.

By Mr. Campbell:

Q. Does he eat at the same place?—A. He would stay at the Mount Royal hotel, or take his meals there. That is the Mount Royal hotel rate for meals; it is lighter than I can get off.

Q. No, he did not stay at the Mount Royal hotel. At the very same time he had a room from Mrs. Piche.—A. To save money.

Q. At 1016 Drummond street.—A. Instead of paying \$5 or \$6 a day for a room he took a room where he could get it for so much a month, which was an economical measure for the Commission, and then took his meals at the hotel restaurant; otherwise if he had been staying at the Mount Royal the least he could get a room there for is \$6 a day, I think.

Q. No matter where he seems to be the price for meals always totalled up to \$3.—A. I do not think he ever ran up to the statutory allowance for meals and expenses per day. The statutory allowance is a considerably larger sum, \$10 a day.

Q. I am glad to know that because I find here last fall, between October 23 and November 26, which is almost a month that he made only one trip out of Montreal to Quebec, and you paid the travelling expenses to the amount of \$340.10.—A. I did not do the checking.

Q. Well, you signed it.—A. I did not do the checking myself but if there is any item—

Q. It is made up by five vouchers.—A. That is probably covering a period.

Q. A period of just about one month, October 23 to November, 26, 1935.

The CHAIRMAN: Is that itemized?

By Mr. Campbell:

Q. Yes, and all O.K'd. What I am pointing out is that the Commission were paying—A. I fancy some of the accounts were back accounts.

Q. No, there are no back accounts; they are all itemized for that period. For instance here is four days hand running, October 31 lunch with Colonel Bowby, McGill, \$3.20; November 1, lunch with Colonel Bowby, McGill; November 2, November 3.—A. That was perfectly legitimate. He was arranging all our university work; we had a great deal of work in connection with the university, the university debates and university lectures. Colonel Bowby is the representative of that university group and in addition we arranged with Colonel Bowby certain educational programs.

Q. During these three or four days in Montreal taxis amounted to \$8.70?—A. You must remember when Mr. Dupont is in Montreal he has to go out to Laprairie to where our transmitter is; that is a long way out of Montreal.

Q. Where is your station in Montreal?—A. Our studios are on St. Catherine street west, in what they call King's Hall building. Our transmitter is away out at a place called Laprairie, is it not Mr. Bertrand?

Mr. DUPUIS: Yes, it used to be the Marconi station.

WITNESS: It was remodelled for our purpose.

By Mr. Campbell:

Q. It seems to strike me that is rather a large amount to be paying for travelling expenses in view of the fact that Mr. Dupont was living in Montreal and looking after the Montreal station interests. You have no other station manager there?—A. Well, Mr. Pelletier who is a very clever man is in charge of the station. Mr. Dupont has a great deal more than Montreal to look after. He is in charge of the arrangement for all our exchange programs. I sent him to New York last night to fix up certain exchange—

Q. Why did you move him from Ottawa to Montreal?—A. Because we felt that his living between the two cities was perhaps increasing his expense account. Now he lives in Montreal, and when I want him here I send for him, and he can get on the train and come up to see me.

By Mr. Bertrand:

Q. Is it not a fact the radio commission is organizing its network from Montreal?—A. The French network especially is organized from Montreal, and he has supervision over the Maritime system. Both the telegraph companies

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are at Montreal, and especially the French network which requires a lot of his attention has to be organized in Montreal. I could not organize it at—

Q. I am informed not only the French network but a large number of the network programs have been arranged in Montreal in English and French?—
A. Yes, we send out a great many network programs from Montreal.

Q. Last New Year's and last Christmas— —A. That was our key station for our Christmas day broadcast. We used that station. We usually use Montreal on account of its location and on account of it being the centre of the telegraph companies. That is our key station on any special thing like jubilee broadcasting where we are doing important general broadcasting—

By Mr. Dupuis:

Q. You were speaking of the Marconi station at Montreal?—A. That is our station.

Q. That is CRCM?—A. That is our transmitter.

Q. The commission entered into a contract with the Marconi company?—
A. Marconi operates that station for us.

Q. You pay rent to that company?—A. Yes; we pay an annual rental and charges for operation. We obtained a very reasonable contract.

Q. Do you remember being asked by the company to provide a motor transmitter, gasoline engine for which the rate— —A. Colonel Steel can answer those questions.

Q. Was that question submitted to the commission?—A. I daresay it was; I could not tell you that.

Q. You don't remember?—A. No.

Q. I am going to put the question straight to you. There was a request from the Marconi station to pay \$6,300 for that engine, and that was brought up— —A. That would be all in Colonel Steel's hands.

By the Chairman:

Q. Would that be in the minutes of the commission?—A. I could not tell you offhand. I presume it would be brought—

By Mr. Dupuis:

Q. Is any question decided by one of you, or is a question of that importance settled among you together?—A. The men are in charge of their separate departments, and on any important problem or any important expenditure the matter is discussed by the commission as a whole. Sometimes there would have been gaps owing to the three different gentlemen who have served as vice-chairman, at times, when there are only two commissioners, but usually there are three commissioners.

By the Chairman:

Q. A purchase of that kind naturally would be referred to the commission?—A. Oh, yes.

Q. That would not be just a departmental affair, would it?—A. I do not remember that individual one. May I explain, Mr. Chairman, many questions of purchases come before the commission. Colonel Steel brings in an application from the station men. They recommend something, and the three of us get together, and Colonel Cheveaux and I say, "we cannot afford it at present." Colonel Steel will say, "we can get along without it." It is discussed like any other business organization.

By Mr. Dupuis:

Q. You do not remember this important question having been brought before you?—A. That is simply—remember we operate seven stations in Canada and studios at Nova Scotia and a network. There are all kinds of accounts coming up.

Q. I understand that when you have a million and a half to dispose of, \$6,000 is not very much?—A. I venture to say it was a bargain, because we have the reputation of being chisellers.

Q. As a matter of fact, have all these stations that are operating under your supervision got book-keeping; are they keeping books?—A. Oh, yes.

Q. And are they bound to send a copy of that bookkeeping to your commission?—A. Our accountant goes to the stations once a month or two months and goes through their books.

Q. Are they bound to send a copy of their bookkeeping to the head office?—A. No. Their books are kept in the head office and monthly reports come in.

Q. I want to hear you answer that. Have you a copy of any administrative affair of each station?—A. Any problem of administration affecting that station, any expenditures, even if it is a request for an expenditure for trucks to move pianos around the studio, they are sent to Ottawa. They are kept in check on everything.

Q. And you keep that in your office?—A. I presume the accountant keeps it. I do not keep it in my office.

The CHAIRMAN: I think we will get on much faster if you asked your questions of some members of the radio commission or the staff of the radio commission—ask them to answer those questions. Mr. Charlesworth says he cannot answer them.

Mr. DUPUIS: I think it is important for this committee to know how far the chairman of the commission is informed about these expenditures.

WITNESS: I am informed all right.

Hon. Mr. HOWE: It is quite improper to ask the chairman of the commission for details of bookkeeping. You might as well ask me the details of the book-keeping in the Department of Railways. I am sure we have bookkeepers, but I do not know what they do.

Mr. DUPUIS: No. But what I want to be clear about is this: when an important question comes before the commission, it must be discussed, especially when it is criticized by those in authority?

WITNESS: It is discussed all right.

By Mr. Dupuis:

Q. And in this matter of \$6,300 which the Marconi station asked the commission to pay, there was strong criticism which must have come to you?—A. I do not recall any criticism that came to my knowledge, but Colonel Steel can tell you about it.

Q. I am satisfied that what you say is correct. You say it is not to your knowledge?—A. In that specific instance—you must remember I do not know the date. You have not given me the date even. Our transactions, detailed transactions, cover the past three years.

Q. So you cannot control even those things that have been criticized in the station?—A. In the first place, you have not furnished me with any evidence there has been any criticism.

Q. I am going to tell you this— —A. I am as vigilant as an ordinary man can be in watching everything that goes on and nothing does happen that I do not hear about.

Q. The department of the treasury sent a report criticizing the action of the commission in purchasing this engine. It is only one fact, and it reads as follows:—

During the month of July 1934 the commission purchased and had installed at the above transmitter...

[Mr. Hector Charlesworth.]

It means at the Canadian Marconi station at La Prairie—

...a gasoline engine for which they paid \$6,300. This was a purchase for the purpose of producing power to operate the transmitter in case of breakdown....

—A. Oh, yes, I remember that case now.

Q. "...there is a question here as to whether this purchase should have been made as the company agrees to rent and operate the transmitter for definite hours each day, and the agreement carries no clause exempting the commission from liability through failure of any kind." This is a strong criticism of the commission having bought that engine at \$6,300, whereas there was a contract or lease between your commission and the Marconi company.

Hon. Mr. HOWE: That is a highly technical matter, Mr. Dupuis. Colonel Steel is the technical expert. If Mr. Charlesworth approved it would be on the recommendation of Colonel Steel, and he could not do otherwise in a technical matter than follow the advice of his technical adviser. Why not ask Colonel Steel the question?

Mr. DUPUIS: That is perfectly right, but I want to know from the chairman of the commission if he approved these expenditures even against the criticism offered by the officials of the Finance Department?

WITNESS: The criticisms of the Auditor General's department on these expenditures come anywhere from three to nine months later. The other day when you had Mr. Mortimer on the stand he was asked with reference to letters of the Auditor General in 1934 for expenditures incurred almost a year previously. The Auditor General goes through all the accounts, of the government. They get around to a thing and they want an explanation. They do not understand it, and when they get the proper explanation, that ends the matter.

By Mr. Dupuis:

Q. Do you mean to say that when something is decided by your commission it is passed by the Treasury Board one year or one year and a half afterwards?

—A. Not the Treasury Board; this letter is from the Auditor General.

Q. From the Auditor General. Is it paid before the Auditor General approves?—A. Of course. The Auditor General comes in months after the payments have been made. The Comptroller of the Treasury looks after the payment.

Q. You received the same criticism from the Treasury Board?—A. No. The Treasury Board—that is an immediate action. If they do not understand an account they will hold it up and ask for the explanation about it, and when they get the explanation they pay it. We pay nothing ourselves.

Q. Just to put your answer on record, I want to know if you received any criticism to buying this engine at \$6,300, whereas the Marconi company— —A. The letter is there. We did receive the criticism.

Q. From the Treasury Board?—A. Not from the Treasury Board. I do not recall anything about the treasury board. The routine of government here in Ottawa is this: The account is paid. Some time later on the Auditor General goes through all the accounts. They see something that they want an explanation of something, which does not satisfy them, and then they write to me. If it is a matter of which I have cognizance, I answer directly. If it is a matter that some other member of the commission or some other member of the staff knows about, I ask him to draft a reply and send it.

By Mr. Dupuis:

Q. You do not recollect any criticism about this particular item?—A. I do not recollect that particular case. I would pass it on to Colonel Steel. I remember the decision to do something in the way of auxiliary power at that station. Now that you have read the letter, I know what that is about.

Q. Generally speaking, since 1931 have you received from those in authority many criticisms about the expenses of the commission or its offices?—A. Not more than the average that go to everybody.

Q. I see.—A. Sometimes we do not receive any for months at a time, and sometimes we get a flock of them. Mr. Brown, who is acting Auditor General at the present time, can explain this whole process to you if there is time to hear him; but I do not think it is worth while. Mr. Brown told me not long ago: "I often get remorseful about the way I worry a busy man about things that do not mean anything, after all." "But," he said, "it is part of my duty."

Q. Then let us come to these expenses of Mr. Maher and the other gentleman, Mr. Bushnell. As a matter of fact it was approximately \$1,800 for each of the gentleman.—A. I did not see those accounts.

Q. Well, if we take it as correct that it is that amount?—A. Yes.

Q. Before paying that, do you remember if you spoke with these gentlemen?—A. No.

Q. —about the excessive amount of the account?—A. Mr. Maher was vice-chairman of the commission. If you look at the set up of the commission, the vice-chairman has an equal vote with the chairman. In the chairman's absence he has two votes. He is in exactly the same position as the chairman. When he is away I have two votes. Mr. Maher was the man in charge of that matter for the commission, with the same power of signing that I have myself.

By Mr. Bertrand:

Q. In other words, you are not controlling Mr. Maher?—A. No, I do not control my own commissioner, except to call him up short if I found, on inspecting the budget, that he was over-running the budget allotted to that department. That is where I come in.

By Mr. Dupuis:

Q. Whatever Mr. Maher would say or suggest, he has power to do?—A. Unless he was over-running the budget. There is an amount budgeted for certain things. When a man in charge of the department is over-running his budget, I see it in the monthly statement and I call him up short and say, "Just remember this cannot go on."

Q. That was only in that case. He might do whatever he pleases so long as he does not over-run his budget?—A. I am obliged to trust my vice-chairman and put him on an equality with myself; and presume that he is just as honest as I am.

By the Chairman:

Q. Mr. Charlesworth, according to the legislation that was passed creating the radio commission, the vice-chairman has powers almost equal to the chairman?—A. Yes.

Q. He can arrive at decisions and enter into contracts—I mean of a minor nature—without you having knowledge?—A. Yes, on program matters and matters of that sort.

By Mr. Dupuis:

Q. That does not mean that in any important matter any one of the members of the commission has power to decide alone?—A. No. It does not mean that at all. But in the matter of his own expense account, I would not think of saying to one of my fellow commissioners, "Here, I am going to cut this thing out of your expense account or that thing out of your expense account." I would assume that he was serving the commission the same as I was.

[Mr. Hector Charlesworth.]

Q. Do you recollect any complaints having been made about a trip to Newfoundland?—A. No. There were no complaints made about the trip to Newfoundland at all.

Q. Before that account?—A. No.

Q. There is here, in 1934, a trip made between the date of—A. You mean the Auditor General asked for an explanation of what it meant?

Q. I just want to know if that came before you?—A. Yes, the whole question of the trip. Since you have raised it—

Q. Let me proceed, if you please; and then if there is anything you wish to say, you can.—A. Yes.

Q. This trip was made between June 23rd and July 6th, 1934?—A. Yes.

Q. That trip cost your commission \$1,886.99. Was that brought before you and did you receive any criticism about it?—A. We did not receive criticism. Let me tell you what that trip meant. In June of 1934, Hon. Mr. Alderdice, who has since died, I believe, and who was head of the affairs of Newfoundland, wrote to Hon. R. B. Bennett as Prime Minister of Canada, asking him to send the radio commission and a group of artists and broadcasters on the New Northland to Newfoundland to give a goodwill broadcast from Newfoundland, and to send some technicians along. It was to be a sort of—

Q. Joy ride?—A. It was Mr. Alderdice's idea. At that time the parliamentary committee was sitting, and Colonel Steel could not go. I could not go because I was wanted at the parliamentary committee. So I wrote to Dr. Skelton of the Department of External Affairs that we would comply with the request, that we would send Mr. Maher along, that we would send Mr. Bushnell to look after the programs and send some artists; and of course technicians were necessary because they did not have any proper set-up in St. Johns. That was the affair. I was not in favour of the expenditure myself, but it was something which you could not actually refuse, coming as a request from the Prime Minister of Newfoundland to the Prime Minister of Canada, for a sort of gesture of that sort.

Q. And you were asked and authorized by the Prime Minister of Canada to do that?—A. We were not asked by Mr. Bennett himself. He was too busy with parliament at that time. The invitation was forwarded to us by Dr. Skelton, Under-Secretary of State for External Affairs, enclosing a copy of Mr. Alderdice's letter and wanting to know whether we could accede to this request.

By the Chairman:

Q. Which you did?—A. Which we did. They were very anxious to get me there but I felt that I could not go.

By Mr. Dupuis:

Q. You did not hear, after the trip, how it was dealt with?—A. How do you mean?

Q. On the return of the Newfoundland trip you did not hear anything of how it was proceeded with?—A. We had some disputed accounts that we refused to pay, extra accounts submitted by the Marconi Company. But that is a matter that I do not wish to go into.

Q. I see that there was outstanding an account submitted by the Canadian Marconi Company for \$897?—A. Yes. We have never paid that account, because Mr. Maher's statement to me was that the Marconi Company was not to charge us anything; and as a matter of fact, that was the arrangement Mr. Maher had made with Mr. Reginald Brophy. Mr. Brophy was shortly afterwards transferred to the National Broadcasting Company in New York, and the Marconi Company held that they were not bound by Mr. Brophy. But the matter is still in abeyance. It has not been settled because our straight

understanding with the Marconi Company was that they would contribute their part of it, in connection with sending down the machinery there, gratis to us, in view of the fact that we do a great deal of other business with them.

By Mr. McIntosh:

Q. Was Mr. Maher asked to resign or did he resign of his own volition?—A. Mr. Maher resigned on his own account. It was a matter between the Prime Minister and himself. Such men do not put in their resignations to me, but to the Prime Minister. As a matter of fact, Mr. Maher was at one time a tubercular subject and his health was bad. In the month of April, 1934, he was talking of resigning, and I believe he mentioned the matter to the Prime Minister who said: "No; I would not resign while the parliamentary committee is sitting or is just about to meet." Immediately parliament rose in the first week in July Mr. Maher's resignation took effect as of the 15th August. He was returning to his own calling. He is a forestry engineer. He wanted to get out in the woods both for business reasons and for the sake of his health. He was sick with pneumonia and lung trouble during part of the year 1934.

Q. Thank you. I thought that explanation should be put on the record to clarify the question raised with regard to Mr. Maher's resignation?—A. Yes.

By Mr. Dupuis:

Q. On that trip to Newfoundland they went by boat?—A. By the New Northland. It belongs to the Clarke Steamship Company.

Q. I do not see any account for that?—A. I do not know that the boat put in an account. I did not handle the accounts in that matter. The New Northland was getting good advertising out of it.

Q. I am asking that question because there is an item here re travelling expense to Newfoundland, \$41.33 for meals on board?—A. The men would have to pay for their meals. I do not know about that. I know about the Marconi account that has been disputed but not about the account for meals.

Q. The outstanding amount claimed by the Marconi people is over and above the \$1,800?—A. That is for technical equipment sent on by the engineers themselves.

Q. Have you any knowledge about the banquet given at the time of the inauguration of the Quebec station?—A. Yes. I was present and presided over it. It was not a "banquet" but an entertainment.

Q. A very nice banquet indeed?—A. It was a great success.

By Mr. Campbell:

Q. Is that customary?—A. Yes, at the inauguration of a new station it is quite customary. We were launching a new station and the Lieutenant Governor expressed a wish to be present, and when the Lieutenant Governor decided to attend practically all the leading people of the city of Quebec came, and it was a great send-off for a new enterprise.

Q. Did you do that in Windsor?—A. I do not know; I do not think the party was large in Windsor at that time.

By Mr. Dupuis:

Q. Was it done in Toronto?—A. No; we did not initiate the station in Toronto.

Q. Was there not a private celebration in Toronto when the station was opened?—A. No; the station continued in operation. We did have—

[Mr. Hector Charlesworth.]

The CHAIRMAN: I do not think we should go into that sort of thing, Mr. Dupuis. If Mr. Charlesworth desired to entertain privately at the inauguration of a station or something of that description, surely that is not a matter for investigation here?

Hon. Mr. HOWE: After all, these disbursements were paid by the Department of Finance, who keep the books of the Commission, and they were approved by the Auditor General. I do not think this committee can do very much about it.

Mr. DUPUIS: There is this to it, Mr. Chairman, that the Commission has almost autocratic power.

WITNESS: I do not think so.

Mr. DUPUIS: If these expenditures were paid by the Department of Finance it was because they had been okeyed by the Radio Commission. Nevertheless the Radio Commission had in its hand an amount per year of \$1,250,000 to dispose of or throw away. I am a citizen of this country and I know of the misery and hardship throughout the country. I do not want to appear to be a demagogue, but we are here to find out if the Radio Commission has expended the money in a proper way. There is no need to be too delicate or sentimental about the matter to anybody. If I am wrong in spending the country's money, I should be blamed for it. I submit that a great proportion of this money was improperly expended and thrown away because of the autocratic power put in the hands of the Radio Commission.

WITNESS: There is not the slightest vestige of autocratic power in the Radio Commission. The autocracy resides in the Treasury Board.

By Mr. Dupuis:

Q. The Treasury Board could not do anything at all but pay expenditures okeyed by the Radio Commission?—A. I think you are wrong there.

Q. Is not that the fact?—A. Let me say something about wasting money in Quebec. As the result of our little party in Quebec the station obtained a send-off of \$8,000 in commercial accounts in one week, which quite surprised us.

Mr. MASSEY: There are the financial statements given to us by the chairman of the Radio Commission this afternoon showing the cost of operation of Canadian radio broadcasting in Canada which may appear to be high as against the British Broadcasting Corporation and the Australian Broadcasting Corporation, but the comparison must be made only after due consideration of the distances and difficulties to be dealt with in Canada, Mr. Chairman.

Mr. DUPUIS: They also seem high in the report of the Department of Finance, as we shall find out in a few minutes when Mr. Shaver goes on the stand.

By Mr. Campbell:

Q. Mr. Charlesworth, did you have full charge of the free time given to charitable institutions and so on?—A. Such matters are usually referred to me because I maintain supervision over programs.

Q. I notice in Exhibit 13 a list of very fine institutions, mostly national?—A. Are those the ones Mr. Sedgwick filed?

Q. No, these are ones filed by yourself, including the League of Nations Society, the National Council of Education, the Canadian Red Cross Society, and so on, all of whom are doing good work, and also all of the government departments and many of the provincial government departments, but have you had any applications for free time from farm organizations?—A. Not in Ontario. There was an organization in Quebec called the Catholic Agricultural Society, of which Mr. Bertrand and Mr. Dupuis probably know, to whom we gave free time.

Q. What strikes me about this list is that it includes the Canadian Manufacturers' Association?—A. That means that the Canadian Manufacturers' Association held an annual banquet. They are holding another one at Quebec on the 8th June this year. On nearly every occasion either the Prime Minister or some important member of the government attends and speaks at such banquets, and there are two or three important speeches on national problems, so we make a habit of broadcasting that banquet across Canada as far as possible.

Q. That is the only free time they get?—A. That is the only free time they demand because they do not do any advertising with us at all. That is an agglomeration of business firms. We broadcast their annual banquet which always has utterances of interest to the people of Canada.

By Mr. McIntosh:

Q. And the same treatment would be accorded to any other national organization?—A. Yes. There are scores of other national organizations.

By Mr. Campbell:

Q. And farm organizations as well?—A. Yes, if we were asked to grant them free time.

By Mr. Dupuis:

Q. I want to put on record the rental of the power plant at Laprairie, \$17,500 a year, and an additional amount of overtime charged for a certain number of hours aggregating approximately \$6,000 a year, and making a total of \$23,500 a year?—A. That is low.

Q. That is low?—A. Yes.

Q. And besides that you want to put on your account the purchase of a motor?—A. Colonel Steel can explain that. We were not getting a proper result from the power plant at Laprairie and they put in an auxiliary plant because we wanted a better quality of broadcasting out of there. I may say that when we made that contract it was really for the purpose of getting an outlet for our programs in Montreal. We had studios already which we had taken over from the Canadian National Railways, and we had to take up some station when we got out of that station operated by La Presse; and I may say that we had been paying \$30,000 there and by that arrangement we made a saving of \$19,000 a year.

Q. I have a statement here from the comptroller of the treasury which is dated October 23, 1935, and it reads as follows;—and I want with this to answer my good friend Mr. Massey as to studios and spending money—it reads as follows (paragraph 2 on page 4).

The CHAIRMAN: That is from the comptroller of the treasury.

Mr. DUPUIS: Yes. It reads: In the rental of studios there are one or two cases in which I feel the commission is being very greatly overcharged; namely, Quebec and Toronto. For the Quebec studios they are paying \$3,200 per year rental at the Chateau Frontenac, for considerably less than half the amount of space that is obtained at the Chateau Laurier for \$2,400 per year. The Toronto studio is leased from the Canadian National Carbon Company at a rate of \$15,000 per year. This amount is all out of proportion to the value received. This is the comptroller of the treasury speaking. The property is in the northern section of the city miles from down town and consists of just a small section of the warehouse of the Canadian National Carbon Company—

WITNESS: Not a small section.

Mr. DUPUIS: —fitted up into studios and office. It was a barn. In comparison with the value we are getting in Montreal where we pay a studio rental of \$7,200 a year the charge at Toronto is out of all reason.

[Mr. Hector Charlesworth.]

WITNESS: Well, gentlemen, all I can say is that last week I had to consider an offer of new accommodation at Montreal and the price quoted to us for less floor space than we have at Toronto, in a very finely equipped fire-proof building ideal for our purposes, was \$34,000, without any studio equipment at all.

Mr. DUPUIS: That is not what he says.

WITNESS: Mr. Massey knows that.

Mr. MASSEY: I might say, Mr. Chairman, that for the accommodation that is had by the Canadian Radio Commission from the Canadian National Carbon Company \$15,000 seems to be a very low rental, despite the opinion of the comptroller of the treasury which has just been referred to.

By Mr. Campbell:

Q. Are any members of your staff allowed to sponsor programs outside of your own?—A. Occasionally we loan one of the members of the staff to organize the program, that is if we are getting revenue from the program.

Q. Is he allowed to take any extra money for that, or do you pay full time?—A. If a member of the staff was made a little present for some specially fine thing he did I would not say, oh you must not take it. Quite often an advertiser is extremely grateful to the artists if he gets very good results from a broadcast. I do not know anything about it. I do not know of any instance such as you speak of.

Q. For instance, Taggart, I understand sponsored a program for Zellers?—A. Mr. Taggart is a very brilliant man. He is working for us at a very small salary. Zellers' programs go out over our own station. We get very fine revenue from that.

Q. Why don't you pay him what he is worth then? He is allowed to do that?—A. I have no evidence of Mr. Taggart having received anything, but if they gave Mr. Taggart a little doss for good service he rendered I would say it was only just.

Q. Would it not be better to pay the men what you think they are worth?—A. We have not been able to get the appointment of Mr. Taggart at the salary he is worth through the treasury board. I may say that if we do not succeed in doing that soon we are afraid we will lose the services of Mr. Taggart, and he is one of our best broadcasters, one of our key men.

Mr. BOUCHARD: With me here is my colleague from Matapedia-Matane. The people in his riding are suffering seriously through their inability to get programs from either Quebec or Montreal, but they are paying their fees just the same. Do you receive any complaints about that, and can you remedy the situation?

WITNESS: Matane—what county in Quebec would that be?

Mr. DUPUIS: It is a county.

Mr. BOUCHARD: Matapedia is a little lower than Metis, it is in Gaspé.

WITNESS: We had a number of complaints at one time in connection with the reception down in that neighbourhood. We recently changed the frequency at the New Carlyle station, and quite recently Colonel Chauveau had a letter from the Bishop of Gaspé, Monseigneur Ross, thanking him that the situation was improved.

Mr. BOUCHARD: That would not improve the situation in Matapedia or in Matane. That is on the other side of the Gaspé Peninsula.

WITNESS: I think you better talk to Colonel Steel about that. He is familiar with all those things.

By Mr. Dupuis:

Q. Is it possible to change the arrangements at the studios?—A. If there is any station that has the coverage and that will reach Matane. I do not know

whether there is or not. There is a 1000 watt station at Quebec city. That should go down there. Then there is another 1000 watt station at New Carlyle.

Mr. BOUCHARD: Could Mr. Lapointe be permitted to ask a few questions, although he is not a member of this committee.

The CHAIRMAN: Is it the wish of the committee that the privileges of this committee should be extended to Mr. Lapointe (Matapedia-Matane) so that he may ask the witness some questions?

Some Hon. Members: Agreed.

By Mr. Lapointe:

Q. I would like to know if the Quebec station will be re-enforced so that we can get better reception in Matapedia-Matane?—A. You would like us—

Q. To increase the power?—A. To increase the power at Quebec. Colonel Steel could tell you whether it is possible to increase the power to that frequency. Of course, increasing the power means expenditure. How far away is it?

Mr. BOUCHARD: It is 365 miles from Montreal.

WITNESS: Which is a long way to get coverage from Quebec.

Mr. LAPOINTE: It is 400 miles from Quebec.

WITNESS: It would take a very powerful station at Quebec city to carry that far.

Mr. CAMPBELL: What is your nearest stations, Chicoutimi.

Mr. LAPOINTE: No, we do not get that.

WITNESS: Your nearest station for coverage is Quebec. Would that be nearer to you than New Carlyle?

Mr. LAPOINTE: No, it is further away.

WITNESS: I was going to say, I think your nearest station would be New Carlyle, and if we had—

Hon. Mr. HOWE: If you will allow me to interrupt, I think Colonel Steel would be able to give you better information on that, as he is the man who looks after wave lengths. Would you care to come forward, Colonel Steel, and give that information?

Colonel STEEL: Yes.

Hon. Mr. HOWE: Mr. Lapointe wanted a little special information.

The CHAIRMAN: Mr. Lapointe is not a member of the committee but he wants to know if the radio commission is contemplating, or if there is a possibility of their increasing the power of the Quebec station in order to give service to the district of Matane and the Gaspé coast.

Colonel STEEL: We would not recommend that as being the best method of providing service for Matane. You would have to increase the power of the Quebec station very much more than it is possible to under the existing financial arrangement in order to get service in Matane. It would be much more efficient to put a station in the neighbourhood of Matane to serve that area. At the present time we are not contemplating doing that for the simple reason we have not the money. I have on one or two occasions recommended that a station should be put in that area for that very purpose as and when money becomes available.

The CHAIRMAN: That is the only way a good service can be given?

Colonel STEEL: The most efficient and cheapest way of giving service would be to do that.

The CHAIRMAN: The only reason why it has not been done is that you have no fund?

Colonel STEEL: Yes, sir.

[Mr. Hector Charlesworth.]

The CHAIRMAN: Is that satisfactory, Mr. Lapointe? It does not give you much hope.

Mr. DUPUIS: You have not the funds in the vote this year?

Colonel STEEL: We have not much money—

Mr. DUPUIS: What amount was voted this year? What amount did your commission recommend?

Colonel STEEL: We requested one and a half millions.

Mr. LAPOINTE: Was there not an attempt to transfer the CKCV Station from Quebec to Rimouski?

Colonel STEEL: We have on one or two occasions more or less unofficially approached the present owners of station CKCV with the suggestion they should move that station somewhere down on the Gaspé coast, the north shore, and to date they have not seen fit to accept that suggestion.

Mr. LAPOINTE: I want to impress that very strongly upon you, because the reception Matapédia gets is absolutely nil.

Colonel STEEL: I am quite well aware of that. I know there is a station needed there.

Mr. LAPOINTE: We pay our licence fees and do not get any results at all. The service is very bad and the people are complaining they may as well pay their fees to the United States.

Colonel STEEL: You are quite right, sir.

Mr. LAPOINTE: Because they do not get service.

Mr. BERTRAND: While you are on this subject will you give us the reason why the commission refused to raise the power of station CKAC in Montreal?

Colonel STEEL: You asked me that question once before and you asked me to file certain documents. I think there is a letter there from Mr. Charlesworth, which gives better than I can give now the reason why the commission did not increase CKAC or any other station to 50 kilowatts, the reason being we felt that any large increase in power should be carried out by the commission; if we were to carry out the principle of nationalization not to put these high powered stations in the hands of private owners. If we did so it would immediately mean that as far as nationalization was concerned, it would be taking a step backward instead of forward.

Mr. CAMPBELL: Why do you say that?

Colonel STEEL: Just a second, I am not through.

Mr. DUPUIS: That was your opinion?

Colonel STEEL: That was the opinion of the commission. Further, in our discussions with the government in power at that time, that was also their opinion. Consequently we were acting at that time and have acted since in accordance with the request of the government.

Mr. BERTRAND: I quite understand.

WITNESS: Also my own convictions, sir.

Mr. BERTRAND: What was your conviction?

WITNESS: I think any 50,000 watt stations to which licences are granted should be operated by the commission.

Mr. BERTRAND: With the result that we have been without reception in the the north end of the province of Quebec.

Mr. HOWARD: And the north shore.

WITNESS: That can be remedied by a station up there. A 50,000 watt station, in my opinion, at Montreal, would not be, and I do not think it is, design-

ed wholly for the benefit of Canada. It is only to give an outlet to the Columbia station throughout New England, New Hampshire and Vermont. I think that is the main object of that request.

The CHAIRMAN: Does that answer your question?

Mr. BERTRAND: I take it it was the policy of the late government not to let any private station be increased?

WITNESS: To that extent it was the recommendation of the Aird commission, and the parliamentary committee, as I understand it, and it is my policy.

Mr. CAMPBELL: Colonel Steel, I understood you to say that you felt an increase in power to private stations would have hurt the principle of public ownership?

Colonel STEEL: I said that, yes.

Mr. CAMPBELL: That appears odd to me, in view of the fact you claim you cannot increase the number of stations on account of lack of funds. Would it not help if you gave the private stations the privilege of increasing power, and could they not be taken over at some other time if it was felt the government wished to do it?

Colonel STEEL: Mr. Campbell when any company goes to the expense, and it is a heavy expense, to instal a 50,000 watt station, of installing a station, they have a vested right which is extremely difficult for the government or anybody else to upset at a later date. Now, had the government at any time during the past five years intended to proceed with complete nationalization or more complete nationalization than existed, let us say in 1932, the granting of a 50,000 watt station to various places in Canada, particularly in such large centres as Toronto and Montreal, it certainly would have made it very much more difficult for the government or any succeeding government to have taken them over—

Mr. McINTOSH: It would cost a great deal more money?

Colonel STEEL: It would have cost a great deal more money.

Mr. CAMPBELL: It would have cost more money than if you had built them yourself?

Colonel STEEL: We would have to pay for the vested right.

Mr. CAMPBELL: If some arrangement had been made that way the public would have been served.

Colonel STEEL: I cannot conceive anybody investing from a quarter to a half million dollars—

Mr. CAMPBELL: That is one of the complaints we have had, no compensation was given.

Colonel STEEL: I quite agree with that, but the responsibility was not entirely ours. We were acting in accordance with the views of the government of the day.

Mr. BERTRAND: I am quite satisfied with that answer, the government did not want it.

WITNESS: Neither did the commission. The government coincided with the commission's views.

Mr. DUPUIS: Colonel Steel, when you were asked to grant a licence to a radio station, in view of your policy of nationalizing the stations in the near future, could you not have put a proviso in the licence to the effect that if the commission decided to take over the station it would be taken over at the cost price?

Colonel STEEL: I do not think that was necessary because the act as it stands at the present time actually makes that possible. The point I wish to

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make is this, that nobody is going to invest any large sum of money if they have the idea that that money may be jeopardized in one month, or one year, or even three years. They may make a small investment as required by a hundred watt station in a local area, but they are not prepared, and I would not expect them to be prepared to come forward and spend a quarter or a half million dollars, expecting the government to take it over in a few years, or perhaps a few months. That is not reasonable.

The CHAIRMAN: When they make that expenditure, Colonel Steel, they know the licences are only granted from year to year.

Colonel STEEL: Yes, that is true, as a matter of theory, but actually unless these people do something which contravenes the regulations there is no provision made for cancellation. In other words, it cannot be cancelled at that time because—

Mr. CAMPRELL: They are renewed automatically?

Colonel STEEL: To all intents and purposes yes, unless there is some breaking of the regulation.

Mr. DUPUIS: Has the commission power to cancel?

WITNESS: Incurable offenders.

Colonel STEEL: We have power to cancel a licence and substitute another. We have the right to cancel the channel or frequency and substitute another one for it, but unless that station breaks the regulation and there are a few of them—if you look over the regulations which carry cancellation of the licence you will see that unless they break these regulations we have no power to cancel that licence, and it is automatically renewed over and over.

The CHAIRMAN: Now, are there any further questions members of the committee wish to ask? Mr. Bertrand said he had some questions he wished to ask Mr. Charlesworth.

Mr. BERTRAND: I will ask them of Colonel Steel.

By Mr. Howard:

Q. Would the station at Matane cover the north shore from Bersimis to Seven Islands?—A. It would depend upon the power, but with a reasonable amount of power at that point and in view of the fact that that is all over water I would think you could get a pretty good service at Seven Islands.

Q. The settlements are all along the coast. It is very important because they have not got much service except radio?—A. It is my opinion that a thousand watts established at a suitable spot would give a reasonable service on the north shore.

By Mr. Dupuis:

Q. How much would that cost?—A. \$40,000 about, capital.

Q. But you cannot find that in your estimate of one million and a half?—

A. No, sir, not and carry on the service now being carried on by the commission.

The CHAIRMAN: Mr. McIntosh, have you any questions to ask?

Mr. MCINTOSH: I do not know whether I would be able to finish by 6 o'clock. Will Mr. Charlesworth be back again?

WITNESS: I do not know. I might be.

The CHAIRMAN: I do not think we should impose on Mr. Charlesworth to-day. I think Colonel Steel can answer most of the questions; anyway, Mr. Charlesworth is not feeling very well.

WITNESS: Mr. Chairman, don't you wish to examine me about the wire contract matter?

The CHAIRMAN: Colonel Steel can give all that.

WITNESS: No. Colonel Steel was not here. There was some correspondence of mine that was produced by Mr. Ralston, I think; I would like to be examined on that.

The CHAIRMAN: We could not do that to-day.

WITNESS: On that wire matter, there are certain things I can answer that Colonel Steel can not.

By Mr. Dupuis:

Q. Before we go into that, Mr. Charlesworth, I want to go back and ask a couple of questions about this banquet in Quebec. A resolution was passed by the commission to approve of those expenses which were \$536.30?—A. Yes.

Q. And some complaint by one member of the board was to the effect that the amount must be over that; but I want to know from you if this was refused. There was an item of over \$400 for champagne?

Mr. BERTRAND: It does not mean very much.

WITNESS: No, no. There was no champagne on that occasion.

By Mr. Dupuis:

Q. That is my information. And let me remind you of one fact. Is it not a fact that someone in the commission asked Mr. Cartier to sign the minutes, and he refused?—A. Mr. Cartier had nothing to do with that affair. Mr. Cartier was not a member of the commission.

Q. What was he?—A. He had not been appointed.

The CHAIRMAN: That matter of \$400 for champagne, is that just hearsay?

Mr. DUPUIS: I just asked. That is my information.

The CHAIRMAN: Your information is hearsay, is it not?

Mr. DUPUIS: It is not hearsay; it is from one of the commission at the time.

WITNESS: This particular party took place on September 28th of 1934. It opened the social season in Quebec. It was a big affair. Mr. Cartier was not appointed to the commission until many weeks later.

The CHAIRMAN: Just a minute please. Is there anything on the record to show that \$400 was paid for champagne at a banquet in Quebec?

Mr. DUPUIS: There is nothing in the record.

The CHAIRMAN: I do not think, Mr. Dupuis, that we should go into that. Truly, I do not.

Mr. DUPUIS: I am informed that that passed in some of the items.

Mr. MASSEY: I think Mr. Dupuis should tell the source of his information.

The CHAIRMAN: I certainly rule against asking the witness questions based on hearsay.

Mr. DUPUIS: It is not hearsay.

The CHAIRMAN: It is not going to benefit the committee in making its report, and it might create an impression in the country which is entirely wrong.

Hon. MEMBERS: Hear, hear.

Mr. MASSEY: I suggest that the press be asked to delete that as well.

Mr. DUPUIS: I am going to insist, unless the committee decide otherwise, because, my information is from a member of the commission.

The CHAIRMAN: As far as I am personally concerned, I am only chairman of this committee, and I am in the hands of the members. If you are going to go into evidence that is hearsay in this committee, in the first place it will not help the committee because we might all have heard things—I have

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heard so many thing about the radio commission and radio broadcasting; and if we wanted to bring everything we have heard before this committee we will be here for a week. However, I want the committee to decide.

Mr. McINTOSH: I wonder if Mr. Dupuis wants to press the point, can he produce the name of the man who told him?

Mr. DUPUIS: Yes, I am going to do it.

WITNESS: I would be glad to hear that man's name.

Mr. DUPUIS: Mr. Cartier himself.

WITNESS: Mr. Cartier, if he told you that, is a liar.

The CHAIRMAN: Order, please.

Mr. DUPUIS: I will say that although Mr. Cartier—as Mr. Charlesworth said he had been appointed a few weeks afterwards, and this was discussed by the commission—refused to approve the item, and it was only when Mr. Cartier came to the commission that they asked him to approve of such expense.

WITNESS: We did not ask Mr. Cartier to approve of it at all. I was presiding over the party. It was a very large party, and the costs were low.

The CHAIRMAN: Mr. Charlesworth, do you deny this?

WITNESS: I do. I am sworn.

The CHAIRMAN: That is enough.

WITNESS: I am not committing perjury when I say there was no champagne.

The CHAIRMAN: Mr. Dupuis has made certain allegations. The chairman of the radio commission denies them. I think we should accept his denial and let the matter drop there.

Mr. DUPUIS: I just move that Mr. Cartier be called.

WITNESS: I would like to see Mr. Cartier here.

The CHAIRMAN: Mr. Dupuis, I think it was agreed this morning by the committee that we would not have any other outsiders except the commission and the officials of the commission. We decided that at the end of this morning's sitting, and unless the committee desires to decide otherwise, I do not think we can go on.

Mr. DUPUIS: I have fulfilled my duty as a citizen of this country and a taxpayer. I have done what to my mind is proper. If the committee decide otherwise, that is for the committee to decide.

The CHAIRMAN: I am in the hands of the committee.

Mr. McINTOSH: I think Mr. Charlesworth is quite willing that Mr. Cartier be called here.

The CHAIRMAN: Mr. Charlesworth has nothing to do with it as far as the decision of this committee is concerned. We are the men who are to decide. Mr. Dupuis wants Mr. Cartier to be called before this committee. What does the committee decide?

Mr. McINTOSH: I admit that; but I think that Mr. Charlesworth's suggestion might be beneficial to the members of the committee; that is my point.

By Mr. Campbell:

Q. Would you like to have him here yourself?—A. I would like to hear Mr. Cartier go in the box and make any statement of the kind. He was not a member of the commission at the time. He was never near the city of Quebec until months afterwards. The whole question of that account was reviewed with the Treasury Board and passed by the Treasury Board.

Mr. McINTOSH: If I were in Mr. Charlesworth's position, I would like to see a man like that brought before the committee and myself as well.

Mr. CAMPBELL: And Colonel Steel—

WITNESS: Colonel Steel was not present.

Mr. MASSEY: I am not referring in any zoological way to Mr. Cartier, but I do not think this committee can afford to chase every dog that barks. We are in a very peculiar position at the present time. There has been some hearsay evidence introduced in this committee which is of a very damaging nature. The chairman of the commission, under oath, refutes that statement. The matter has gone to the press, and I think it is very much against the public interest that any such statement as that should be read across this country that \$400 was spent for champagne in the city of Quebec at a time like this.

Mr. DUPUIS: I said approximately.

Mr. MASSEY: I did not hear the word "approximately." Colonel Steel has referred to the fact that as the result of the party in Quebec at the launching of the station, which may be regarded as advertising, \$8,000 of commercial business was brought into that station.

WITNESS: I made that statement.

Mr. MASSEY: The chairman made that statement. I would move that this matter in connection with expenditure for champagne, which has been completely denied by the chairman of the commission under oath, be dropped and the press be asked to delete it.

Mr. CAMPBELL: You cannot do that. They have already sent it out.

The CHAIRMAN: We have no power here, Mr. Massey, to move to ask the press to delete anything; the only thing we can do is delete what is in our own minutes and ask the official reporter to delete that part of it. If that is your motion, I will put it to the committee.

Mr. MASSEY: I shall be glad to let it stand at that. The only reason I have is that I think it is definitely unfair to all concerned. I am trying to defend nobody. We are here as citizens of this country, in the public interest, and I do not think it is in the public interest to submit hearsay evidence of that type. Anyone can submit that sort of evidence without any foundation.

The CHAIRMAN: Do you amend your motion to have the reference deleted from the record? Mr. Bouchard seconds it.

Mr. DUPUIS: Before the motion is voted upon. We heard Mr. Charlesworth state that this banquet was given in October—

WITNESS: September 28.

Mr. DUPUIS: September 28. This was approved, according to the official documents, on December 15, 1934.

The CHAIRMAN: By the Comptroller of the Treasury?

Mr. DUPUIS: By the Comptroller of the Treasury.

The CHAIRMAN: There is nothing unusual about that.

Mr. DUPUIS: Just a moment now.

By Mr. Dupuis:

Q. Mr. Charlesworth, could your secretary give the minute where this bill was approved by the commission?—A. I think it was approved. I approved it myself. Colonel Steel can tell you. He was present at the meeting. There was no question of champagne.

Q. I want to clear that point up.

Colonel STEEL: As a member of this commission which is now under discussion, might I make a statement—

The CHAIRMAN: No. I do not think you should make a statement just now, Colonel Steel. I want to get this question settled before any other state—
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ment is made. There has been an accusation made against the radio commission which has been denied by the chairman of the radio commission.

WITNESS: Under oath.

The CHAIRMAN: Mr. Massey has made a motion, seconded by Mr. Bouchard, that that part of the proceedings relating to the \$400 expended for champagne should be deleted from the records. What is the wish of the committee?

Mr. CAMPBELL: Can we do that?

The CHAIRMAN: Yes. We have that power.

Mr. DUPUIS: I do not think we have.

The CHAIRMAN: We will exercise it. We can delete anything from the record.

Mr. McINTOSH: You might go ahead and delete all the record in that case; you would be on more solid ground than if you deleted part of it. If you insert what has been said in the proceedings, you have both sides of the case. What more do you want to know about the case than the statements that are made and the statements denying it? Will that not give the people the truth. I am never afraid of having the truth told publicly.

Mr. MARTIN: I am inclined to support what Mr. McIntosh has just said. This matter has gone to the press. This is a serious matter; and in spite of reports to the contrary we are not here to persecute anybody, but in fairness to the commission in this matter it ought to be definitely disposed of. This money has been spent and the public will believe the story unless there is a very strong move taken in the way of giving a denial. I think Mr. Cartier should be brought here to substantiate the rumour or otherwise.

WITNESS: I demand if Mr. Cartier comes here he will be put under oath.

The CHAIRMAN: Surely.

WITNESS: And I hope the press, if they are using anything, will print the epithet I called Mr. Cartier.

Mr. BERTRAND: It has reached this point, that I think it is better to call Mr. Cartier.

Mr. McINTOSH: I suppose so. Mr. Charlesworth says so.

WITNESS: You will not get him here. You will not get Mr. Cartier.

Mr. BERTRAND: It is better to call Mr. Cartier.

Mr. McINTOSH: Much better. I think that is Mr. Charlesworth's own view, and I think he is correct.

The WITNESS: You will not get him here.

Mr. McINTOSH: That will be as good.

The WITNESS: You will not get Mr. Cartier.

Mr. McINTOSH: That is as good as a denial, if he does not come.

The CHAIRMAN: Mr. Massey, that suggestion of Mr. Martin's would comply with your wishes. Would you withdraw your motion?

Mr. MASSEY: The reason I introduced that motion was that the statement which was made by my good friend Mr. Dupuis was, it struck me, rather obtrusive in view of the fact that there was a statement made in the form of rumour.

Mr. DUPUIS: It is not rumour.

Mr. MASSEY: The chairman of the commission has said that Mr. Cartier was not a member of the commission at the time of this banquet. It seemed to me to be very, very unfair—I say this regardless of my own position, but as a citizen of this country—that there should be introduced before this committee such damaging hearsay evidence as this. I think we respect the word of the chairman of the commission. He has been under oath, and he has been very

fair, frank and open in what he said. He has absolutely denied the statement. I prefaced my remarks in making my motion by saying that if we were to attempt to run down all the rumours that we heard by introducing them in the way of questions, and upon a denial by the chairman of the commission, insist that the man who made that allegation be brought in before the committee, we would never be through. That is the only reason.

The WITNESS: Personally, I am rather glad that Mr. Cartier has been brought up. He deserted the commission under a very difficult situation, on two hours notice. Rumours that he has sent out about his colleagues have reached me.

The CHAIRMAN: Please do not let us run wild in this committee. We should try and run this with a certain amount of decorum.

Mr. RYAN: Speaking to the motion itself, Mr. Massey's motion is to have this deleted from the record.

The CHAIRMAN: Yes.

Mr. RYAN: I think in fairness to everybody the record is there. The statement is there and Mr. Charlesworth has denied it under oath. If we delete the record, we delete his oath.

Mr. McINTOSH: Surely.

Mr. RYAN: Leave it there. I do not think it is fair to him otherwise. Why delete the record when we have it on the record? Why cut from the testimony what shows the facts? Why not ask Mr. Massey to withdraw the motion?

The COURT: I think the suggestion is sound. Are you prepared to do that?

Mr. MASSEY: I am not hard to get along with. I will withdraw the motion.

The CHAIRMAN: All right. We have disposed of this. The records will show exactly what was said here. Mr. Martin has made a suggestion that we show just exactly what was said here. Mr. Martin has made a suggestion that we get Mr. Cartier, is it?

Mr. BERTRAND: Let him call him.

The WITNESS: Where are you going to find him?

The CHAIRMAN: What is the opinion of the committee on that?

Mr. BOUCHARD: Col. Steel said that he had a statement. Perhaps that will clarify it. You did not accept his statement on account of the motion.

The CHAIRMAN: I did not want to accept it at the moment because there was a motion before the committee.

Mr. BOUCHARD: Yes. Now the motion has been disposed of, I think it would be in order to hear him.

The CHAIRMAN: Will you make your statement, Col. Steel?

Col. STEEL: My statement is, I would like to make it because I was a member of the commission at the time this banquet in Quebec took place. However, I was not able to go to Quebec. Other duties kept me here in Ottawa, and Mr. Charlesworth represented the commission at that. Some time later on the bill for this banquet in Quebec—

Mr. CHARLESWORTH: It was not a banquet. It was an entertainment or dance.

Col. STEEL: It has been called a banquet. Let us carry on with it. There is no reason why it should not be carried on in that way.

Mr. McINTOSH: A get-together affair.

Col. STEELE: Some time later on this bill came before the commission and was discussed. The question of whether or not champagne was used at that dinner was not discussed in the commission while I was present. Mr. Cartier, who by that time had been appointed to the commission, was asked whether or not he

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agreed to approve of that minute, and he said, "Well, I was not a member of the commission at the time, and therefore I would prefer that you gentlemen pass this yourselves, as you were here and should accept responsibility." That was done.

Mr. DUPUIS: Was there any amount stricken from the bill?

WITNESS: No.

Col. STEEL: No, sir.

The CHAIRMAN: That should clear the matter up, should it not?

WITNESS: It was the type of bill that required a special vote of the treasury board and as soon as they heard the explanation they passed the account.

The CHAIRMAN: I think that clears the matter up, and I think it exonerates the commission of any insinuation or accusation in regard to it.

Now, gentlemen, it is six o'clock.

Mr. CAMPBELL: There were some questions regarding that wire line contract that perhaps we could go on with. You will be back next week?

WITNESS: I will be back next week. I may be back to-morrow. I was afraid that it might tie me up.

The CHAIRMAN: About this next week proposition—would it not be possible to get through with the commission and its officers by to-morrow afternoon? Then we would appoint a sub-committee to-morrow to prepare our report. We are going to have a lot of work preparing our report. There has been a good deal of evidence submitted and I think we want to hasten the closing of the session as much as possible. Would it not be possible to meet to-morrow?

Mr. CAMPBELL: It would be all right for me if Mr. Charlesworth wrote it in a brief. He has heard all the evidence.

The CHAIRMAN: Have you a brief in regard to the wire lines?

WITNESS: I will prepare a small memorandum. I may be here to-morrow.

Mr. CAMPBELL: That would even rush the thing.

WITNESS: I will dictate it and send it with my stenographer if I do not come to-morrow morning.

Mr. CAMPBELL: What the committee would be mostly interested in is to establish the fact as to why a contract was entered into last July when the old contract had another eight months to run.

WITNESS: I have a copy of the minutes of the meeting, showing exactly the reason.

Colonel STEEL: I think I can answer that question, whether Mr. Charlesworth is here to-morrow or not.

Mr. McINTOSH: I can finish with Mr. Charlesworth in twenty minutes, but as he now appears to be somewhat excited I do not think I should question him further at this time.

The CHAIRMAN: If Mr. Charlesworth is not able to be here to-morrow morning could you not ask Colonel Steel or Colonel Chauveau the questions you have in mind?

Mr. McINTOSH: I would prefer to ask Mr. Charlesworth, if he is well enough to attend to-morrow morning.

The CHAIRMAN: I shall not ask Mr. Charlesworth to come to-morrow morning unless he feels he is able to do so.

WITNESS: I shall attend if I possibly can.

The CHAIRMAN: Very well.

Mr. DUPUIS: This matter is a serious one in my view, and I do not want to see it passed over without putting one or two other questions to Mr. Charlesworth about that banquet.

Q. I want to know from you Mr. Charlesworth, for you were present, whether there was any champagne served?—A. None that I saw.

The CHAIRMAN: I do not think that is a proper question.

By Mr. Dupuis:

Q. There is an item here stating that there were 200 covers at \$2.25 each making a total of \$450?—A. Yes, 200 covers proved hardly sufficient. As a matter of fact, we provided for 200 but a great many more arrived.

The CHAIRMAN: Gentlemen, I shall expect your co-operation in getting through to-morrow by one o'clock. Then we shall call upon our sub-committee to prepare the report.

WITNESS: I also shall try to be here.

Whereupon the committee adjourned at 6.03 o'clock p.m. until 10.30 o'clock a.m. on Friday, May 15, 1936.

APPENDIX No. 6

MEMORANDUM on political broadcasting submitted to the House of Commons
Select Committee on Radio by Hector Charlesworth, Chairman of the
Canadian Radio Broadcasting Commission.

Since the Canadian Radio Broadcasting Commission began to really function early in 1933, keenly contested general election campaigns have taken place in every province of Canada in addition to the Federal election campaign of September and October, 1935. While it has had many incidental problems in connection therewith in various parts of Canada, the Commission is happy to be able to report that only in two instances have there been any serious complaints of unfairness or misuse of the air. One was in connection with the "Mr. Sage" broadcasts in the recent Federal campaign and the other in connection with the continuance of political broadcasting in the Province of Quebec subsequent to the general election of November last. In both instances the Commission adopted such remedies as lay within its power, but it is obvious that the present practices in connection with political broadcasting are by no means ideal and that wider regulatory measures in connection therewith should be seriously considered.

The Commission is of the opinion that so great a volume of political broadcasting as was heard on most Canadian stations during the last four weeks of the Federal campaign was an imposition on the majority of radio listeners. The Commission itself found it necessary to reduce materially the volume of entertainment as provided ordinarily by its sustaining programs, sometimes on very short notice in cases where it was obvious that a distinguished speaker would overrun his allotted time. In the case of some privately-owned stations in large centres hardly anything was available during the evening hours but political broadcasts. The vast majority of such broadcasts so far as chain broadcasting was concerned were arranged and paid for by the two historical parties, Liberals and Conservatives, but in certain sections the newer parties made considerable use of local broadcasts through individual stations.

For the Commission to have attempted on its own authority to drastically limit the volume of such broadcasting would have been to invite trouble and attacks upon its motives. The best it could do was to see to it that no party was permitted to monopolize the air even though it might be willing to spend large sums in such an endeavour. So far was it successful in this policy that its officer in charge of commercial network broadcasting received letters of thanks from the agencies in charge of broadcasting for both the Liberal and the Conservative parties from which most of the broadcasts emanated. So far as the other parties were concerned any complaint they had to make was that the large funds at the disposal of the older parties placed them in an inferior position so far as radio was concerned.

In relation to all forms of broadcasting the Canadian Commission is in a vastly different position from the British Broadcasting Corporation inasmuch as there are no privately owned stations in Great Britain and the British Broadcasting Corporation is in absolute control of the situation. It could even decree that no political broadcasting of any kind should be heard on the air. But in Canada where 90 per cent of existing radio stations are still privately owned, any mandate on the part of the Commission prohibiting or drastically limiting the volume of political broadcasting would be bitterly opposed because of the loss of revenue involved. It would possibly be openly

defied, unless backed by the full force of constituted authority. Nevertheless the Commission feels that reasonable limitations are necessary in the interest of the listening public.

Such limitations should take the form of a definite declaration by Parliament as to how many hours of network broadcasting any organized party is to be permitted to arrange between the date of dissolution of Parliament and the actual polling. This in the opinion of the Commission should take the form of an amendment to the Election Act which would compel party organizations and candidates to co-operate in the enforcement of the law. A similar restriction could be placed on local broadcasting by candidates on individual stations. It is of course a fact that such an enactment by Parliament would apply only to Federal elections, since each province has its own election act. It is probable, however, that pressure of public opinion would induce the provincial governments to follow the Federal lead in such a reform.

So far as censorship is concerned, the Commission has taken the position that it cannot create a censorship in connection with political broadcasts of the same nature that it maintains in connection with various types of unethical and deceptive advertising. The main reason for this is that censorship is double-edged. Political organizations whose broadcasts had been censored and passed by the Commission would be entitled to claim that the Commission, though a Government agency, had "O.K.'d" its broadcasts, and widespread misunderstanding would ensue. What seemed to be an attempt to place the Commission in this position was made by the Communist Party during the Federal campaign. The position taken by the Commission was that any organized party enjoying legal status was entitled to purchase and use time on the air provided its speakers complied with Regulation 90 which was printed in large letters in both languages and prominently displayed in all radio stations. No breaches were reported and in future as in the past it should be obligatory on station managers to see that this regulation is observed.

The Commission is aware of the British system whereby all parties are allotted a limited amount of time on the air free of charge. Such a system will not be feasible in Canada so long as the vast majority of stations are privately owned. It must be remembered also that in Great Britain the cost of wire distribution is a mere bagatelle compared with that which must continue to prevail in a country so vast as Canada, and therefore various parties can be accorded free service at much less expense than in this country. If, however, it should be the pleasure of Parliament prior to a general election to vote a special sum for free service of so many hours to all organized parties, it would not be difficult for the Commission to carry out the necessary arrangements.

With regard to broadcasts in dialogue or dramatic form, such as "Mr. Sage," much will always depend on the skill and taste with which they are written and produced. They have proved a most valuable aid to propaganda for philanthropic and educational objects, but their desirability in political campaigns is open to grave doubt. Even if the text were submitted in advance and carefully revised by officers of the Commission, the latter body would still be open to the charge that it had placed its "O.K." on partisan material. No matter how carefully and impartially the work was done, the Commission would nevertheless be assailed.

Obviously broadcasts of this type if permitted at all in political campaigns should be properly sponsored and the clause in the Election Act, which makes sponsorship obligatory in the case of political advertising in the newspapers, should be expanded to include radio broadcasting.

The Commission at the very outset of the campaign took precautions that all parties desiring to use the air on the last night before the polling should have equal allotments of time and its efforts resulted in an amicable arrange-

ment, satisfactory to the leading parties. Nevertheless careful consideration should be given to the question of the period which should elapse between the cessation of broadcasting and polling day. Since Federal elections are by statute held on Monday, the previous Saturday has been generally regarded as the final date of broadcasting in eight provinces of Canada. In Quebec political broadcasting on Sunday is an established usage. Though no untoward results occurred last autumn circumstances might arise whereby charges would be made at the last moment to which no adequate answer could be promulgated prior to the opening of the polls. The Ullswater Committee which recently investigated broadcasting in Great Britain gave consideration to this problem and lately recommended that political broadcasting should cease three full days before election day. The Canadian Commission regards this as an admirable suggestion.

On one point there should be a definite tightening of the law. Political broadcasting on election day itself should be made illegal. On October 12 last the Commission was queried by several stations in the West and one in the East as to whether they could carry political broadcasting at the noon hour on October 14, election day. As it did not wish to go beyond existing statutes the Commission took up the question with the law officers of the Crown and found that there was no existing legislation prohibiting such broadcasts and they were therefore permitted. Though nothing serious transpired, the danger of abuses on future occasions is apparent and the Election Act should be amended to render political broadcasting illegal on election day until after the polls close.

MEMORANDUM ON POLITICAL BROADCASTING, BY LIEUT.-COL.
W. A. STEEL, TO ACCOMPANY SPECIAL BRIEF BY THE CHAIRMAN
OF THE CANADIAN RADIO BROADCASTING COMMISSION.

I am fully in accord with the statements made by Mr. Charlesworth in his brief on political broadcasting in Canada, and I have no further points to add to the very complete statement which he has given on this subject.

There is, however, one matter which should be brought very clearly to the attention of the Committee. The Canadian Radio Commission at the present time has no inspection service of its own whereby it can insure that all broadcasts from Canadian stations come within the scope of the regulations. It is true that the Commission has a small staff scattered throughout the country for program purposes only, but these men have neither the opportunity nor the time to check transmissions from any station. When complaints are received by this Commission, it is necessary for us to get in touch with the Department of Marine and arrange for an inspector from the interference service to visit the area or the station in question and to investigate the complaint or complaints received. This is most unsatisfactory, due to the fact that the investigation takes place after the alleged infringement of the regulations and there is no possible means of proving whether or not the actual infringement took place.

If it is the intention that this Commission should be responsible for a closer observance of the regulations, then it will be essential for provision to be made for an inspection staff, whose sole duty would be to supervise the transmissions from broadcasting stations throughout the country and to check at first hand any infringement of the regulations.

APPENDIX No. 7

CANADIAN RADIO BROADCASTING COMMISSION

A REVIEW OF THE FINANCIAL ADMINISTRATION OF THE COMMISSION, WITH
RELATIVE COMPARISONS OF EXPENDITURES OF THE BRITISH BROADCASTING
CORPORATION AND THE AUSTRALIAN BROADCASTING COMMISSION.

The aim of the Commission in submitting this memorandum is to present to the members of the Special Committee of the House of Commons on Radio Broadcasting a true perspective of the essential problems which have to be considered in the financial administration of the Commission. There is evidence in the press and elsewhere of a misconception of the problems that the Commission must consider in operating the National Broadcasting Service.

The Canadian Radio Broadcasting Commission has no counterpart in Canada and no proper comparison can, therefore, be made with expenditures of any Department of Government or private corporation in Canada. For this reason a comparison has been made on a percentage basis in the tabulated statement herewith of expenditures of this Commission with the expenditures of the British Broadcasting Corporation and the Australian Broadcasting Commission, the services of which are comparable to those of the Commission. A further comparison with expenditures of the National Broadcasting Company and the Columbia Broadcasting System in the United States would be of interest but unfortunately these companies do not release annual financial statements to the public and no official statistics could be obtained to permit such a comparison.

As the analysis submitted covers the expenditures of three publicly operated systems of broadcasting, the comparisons of costs on a percentage basis may be considered fair. The main expenditures, considered in this analysis, are programs, salaries, administration, and wire line network service.

WIRE LINE NETWORK SERVICE

The geographic extent of Canada presents a major problem in organizing the broadcasting service in Canada, whereas in Great Britain and Australia, it is only a minor problem. The expenditure of \$680,687 by the Commission in 1935-36 for a national network included the cost of a wire line network service amounting to \$451,406.28, and the cost of leasing time on privately owned basic stations amounting to \$229,280.78. This wire line network service was described in the Annual Report of the Commission for 1934-35 to which attention is respectfully directed. It will be observed that in 1934-35 this expenditure accounted for 42.72 per cent of the total expenditures of the Commission while in Great Britain the expenditure for a network service amounted to only 3 per cent of the total expenditure, and in Australia to 3.68 per cent. The main reason for this wide difference in wire line network costs lies in the fact that in Canada 6,428 miles of broadcast circuit are required to supply the Commission's National Network, while in Great Britain 985 miles of circuit are all that are required to connect up all of the stations in the British Isles.

National broadcasting in Canada cannot be operated without physical facilities and the cost of such facilities must remain a fixed charge, but varying according to the number of hours of daily service. The present expenditure is the minimum on which the service can be operated on a daily six-hour basis and any reduction in the cost would necessitate a reduction in the number of hours broadcasting, while an increase in the number of hours broadcasting would necessitate an increase in the expenditure. It should be emphasized, therefore,

that the present cost of wire line network services and the rental of time on privately owned stations accounts for almost one-half of the expenditures of the Commission and that this is a fixed charge before any programs are broadcast.

Five different time zones in Canada present further complications in national broadcasting and have to be carefully considered in arranging the service. Neither the British Broadcasting Corporation nor the Australian Broadcasting Commission has a similar problem.

PROGRAMS

The percentage of cost of programs to the total expenditures of the Commission in the last fiscal year was 31·53 per cent. In Great Britain it was 33·4 per cent and in Australia 63·14 per cent. A fact that must be taken into consideration is that the cost of physical broadcast facilities, salaries, and administration become almost fixed charges and that the amount available for program production must necessarily fluctuate and be dependent upon the amount available after the fixed charges have been met. The reason for the very high ratio shown for the Australian Broadcasting Commission is that in their published figures they have included under the one head, program costs, production costs, travelling and administrative expenses.

SALARIES

The expenditure of the Commission for salaries in 1935-36 was \$233,065 or 14·56 per cent of the operating cost; 32·37 per cent of the revenue available to the British Broadcasting Corporation was spent for salaries in the year ended December 31, 1935. This comparison indicates that the amount spent by the Commission for salaries was quite modest and should be a satisfactory answer to criticism that the Commission is overstaffed and that salaries paid by the Commission are exorbitant. It should also be noted that the salaries of Commission employees have been authorized by the Governor-in-Council or the Civil Service Commission, and that the Radio Commission has no statutory authority to fix the salaries of its employees.

The Commission has at present one hundred and thirty-one employees to operate and control the broadcasting service throughout Canada. This is only barely a skeleton staff to administer such an important service and does not even provide for proper substitution in the event of illness or other emergencies.

The British Broadcasting Corporation has more than one thousand employees at the headquarters in Broadcasting House, London, and has a large number of employees outside of London. In the United States the National Broadcasting Company employs more than fifteen hundred persons at the headquarters in Radio City, New York.

It should also be stated that the salaries paid by the Commission not only compare favourably from the standpoint of economy with the salaries paid by broadcast services in other countries, but are considerably lower.

ADMINISTRATION

The cost of administration services of the Commission including travelling expenses, purchase of stationery, office equipment, etc., amounted to 5·07 per cent of the total operating cost in 1935-36. The British Broadcasting Corporation expended 5·5 per cent of its revenue for the same purpose, although travelling costs in a small country like Great Britain are much less than in a country the size of Canada.

May 13, 1936.

TABLE SHOWING COMPARISON BETWEEN OPERATING COSTS OF THE CANADIAN RADIO BROADCASTING COMMISSION, THE BRITISH BROADCASTING CORPORATION AND THE AUSTRALIAN BROADCASTING CORPORATION

—	Operation Cost	Program Expendi- tures	% of Operation Cost	Salaries	% of Operation Cost	Admin- istra- tion	% of Operation Cost	Cost of Lines & Networks	% of Operation Cost	Opera- tion of Stations	% of Operation Cost	Con- tin- gencies	% of Operation Cost
C.R.B.C.....	\$1,503,496	\$502,385	31.53%	\$233,065	14.56%	\$80,755	5.07%	\$680,687	42.72%	\$91,712	5.75%	\$4,892	0.37%
B.B.C. (b).....	£1,803,766 \$8,748,265	£602,460 \$2,921,831	33.4%	£583,996 \$2,832,380	32.37%	£99,188 \$481,062	5.5%	£54,225 \$262,991	3%				
A.B.C. (c).....	£308,604 \$1,487,029	£193,616(a) \$939,038	63.14%	£35,809 \$173,673	11.68%	..... *see foot note	.....	£11,282 \$54,718	3.68%				

NOTE: £ compiled at \$4.85.

(a) *This amount includes artist fees, programs, production costs, travelling and other administrative expenses.

(b) The British Broadcasting Corporation spent some 25.63% of its entire operation cost for maintenance, taxes, copyright fees, etc.

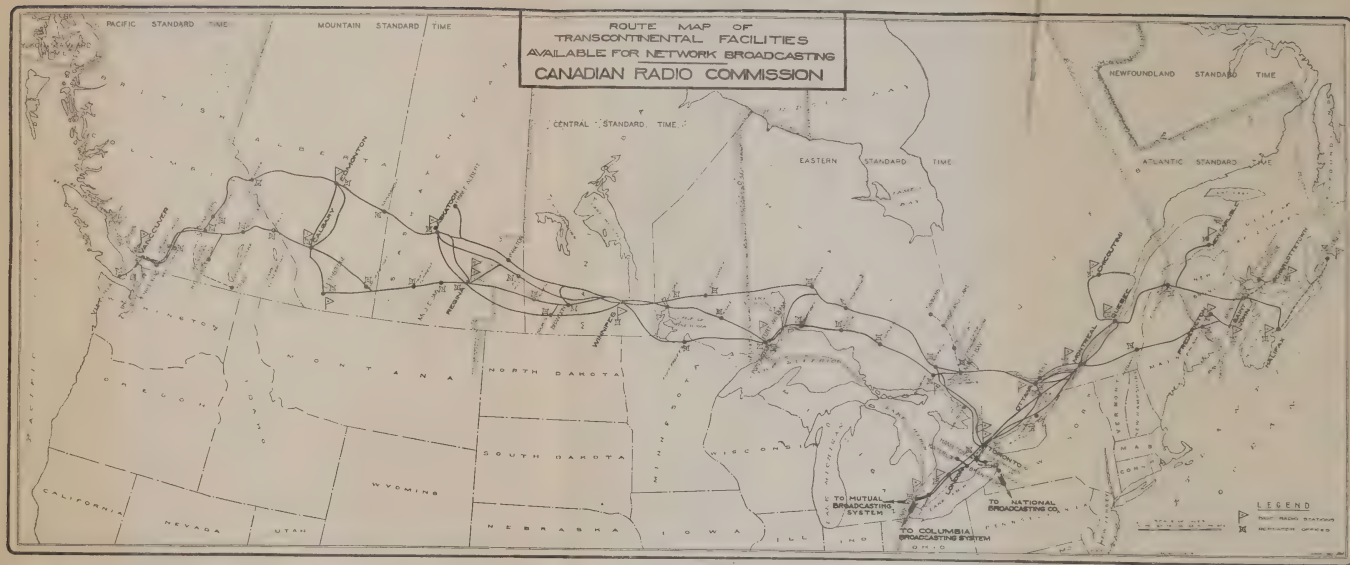
(c) The Australian Broadcasting Corporation spent some 21.30% of its entire operation cost for copyright fees, broadcasting rights, publicity and other expenses.

NOTE: The above figures are taken from the official Annual Reports of the Corporations concerned as follows:

Canadian Radio Broadcasting Commission..... March 31, 1936.

British Broadcasting Corporation..... Dec. 31, 1935.

Australian Broadcasting Corporation..... June 30, 1935.



This diagram shows the transcontinental wire line facilities available to the Commission for its daily network broadcasting. All repeater points are shown as well as all basic stations on the network. It will be noted that in practically every case duplicate circuits are available, should trouble develop at any time on the other route. There are 6,428 miles of broadcast pairs in this network, or a total of 12,856 miles of single wire. In addition there is a monitor circuit connecting all control points involving 6,428 miles of telegraph circuit.

THE IMPORTANCE OF THE TIME ZONES IN CANADA

One of the most important problems in network broadcasting in Canada is the variation in time across the country. Few people realize that there is a time difference of six hours between Labrador and the Alaskan boundary, as shown in the above map. The subject of Standard Time is well explained by Mr. C. C. Smith of the Dominion Observatory in an article in the Canada Year Book, 1934-35, an extract from which is reproduced below by kind permission of Mr. R. H. Coats, Dominion Statistician and of the author.

"In Canada, Atlantic standard time, which is the local time at the 60th meridian running near Sydney, Nova Scotia, and is four hours behind Greenwich, is used in the Maritime Provinces and those parts of Quebec and the Northwest Territories east of the 68th meridian of west longitude. Eastern standard time, which is the local time at the 75th meridian running near Cornwall, Ontario, and is thus five hours behind Greenwich, is used in Quebec west of the 68th meridian and in Ontario east of the 90th meridian and in Northwest Territories between the 88th and 85th meridians. Central standard time, which is the local time at the 90th meridian, is six hours behind Greenwich and is used in Ontario west of the 90th meridian, in Manitoba, in the Northwest

between the 85th and the 102nd meridians and in the southeasterly part of Saskatchewan. Mountain time, which is the local time at the 105th meridian running near Regina, is seven hours behind Greenwich and is used throughout Saskatchewan except in the southeasterly part, throughout Alberta, and in that part of the Northwest Territories between the 102nd and 120th meridians. Pacific standard time, which is the local time at the 120th meridian running near Kamloops, British Columbia, is eight hours behind Greenwich and is used throughout British Columbia and in that part of the Northwest Territories lying west of the 120th meridian. Yukon standard time, which is the local time at the 135th meridian, running near Whitehorse, Yukon, is nine hours behind Greenwich and is used throughout the Yukon Territory. Thus in the farflung area of the Dominion there are no fewer than six different standard times roughly corresponding with the 84 degrees of longitude between the Labrador boundary and the Alaskan boundary. The existence of the different time zones is to-day brought home to the average man by the radio; especially in such programs as the Empire Christmas broadcasts."

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SESSION 1936
HOUSE OF COMMONS

SPECIAL COMMITTEE

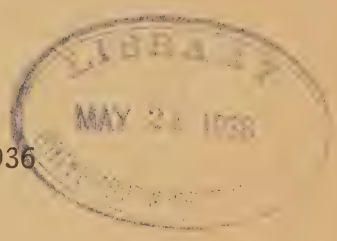
ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

FRIDAY, MAY 15, 1936



WITNESSES:

- Mr. G. M. Shaver, representative of the Treasury, Department of Finance.
- Lt.-Col. R. P. Landry, Secretary of the Canadian Radio Commission, Ottawa.
- Lt.-Col. W. A. Steel, Commissioner, Canadian Radio Commission, Ottawa.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 375,

FRIDAY, May 15, 1936.

MORNING SITTING

The Special Committee on the Canadian Radio Commission met at 10.30 o'clock a.m. this day, Mr. Beaubien, the Chairman, presiding.

The following members of the Committee were present:—

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Campbell, Cochrane, Dupuis, Edwards, Graydon, Hanson, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), McIntosh, Martin, Massey, Ryan and Woodsworth—17.

In Attendance as witnesses:

Mr. G. M. Shaver, representative of the Treasury, Department of Finance, Ottawa.

Lt.-Col. R. P. Landry, Secretary, Canadian Radio Commission, Ottawa.

Lt.-Col. W. A. Steel, Commissioner, Canadian Radio Commission, Ottawa.

Present, subject to call if required:

Col. C. A. Chauveau, Vice-Chairman, and other officials of the Canadian Radio Commission, Ottawa.

Director and Supt., Radio Service, Department of Marine, Ottawa.

Several other representatives for radio interests.

The Chairman submitted the following communications on radio matters received since last listing, up to to-day's date, viz:—

True Blue Lodge No. 90, Chatham, N.B. April the 16th.

Mr. J. N. Nappier, 2338 Aubut Ave., Montreal, Que. May the 7th.

Mrs. Thos. Brown, 585 Oakwood, Toronto, Ont. May the 13th.

Mr. G. M. Shaver called and sworn:

The witness was examined in connection with his accounting service with the Radio Commission while on the staff of the Department of Finance, acting for the Comptroller of the Treasury; also in connection with certain matters which were dealt with during his period of service with the Commission.

The witness filed: Regulations governing travelling expenses.

The witness retired.

Lt.-Col. R. P. Landry called and sworn:

The witness was examined by several members of the Committee; in particular, on certain points, by Mr. Bertrand, Mr. Dupuis, Mr. Campbell, Mr. Martin, Mr. McIntosh, Mr. Ryan, and others. Inquiries were made into accounting, administration and supervision and general management of the business of the Commission, financially.

The witness continued his evidence until after one o'clock. The Chairman called attention to the hour.

The witness retired.

After discussion as to the hour of next meeting, the Committee adjourned to meet again at 4 o'clock p.m.

AFTERNOON SITTING

The Committee resumed at 4 o'clock, the Chairman presiding. The following members of the Committee were present:—

Messieurs: Beaubien, Bertrand (*Laurier*), Bouchard, Campbell, Edwards, Howe, Johnston (*Bow River*), Mackenzie (*Neepawa*), McIntosh, Martin, Massey and Ryan—12.

In Attendance as witness:

Lt.-Col. W. A. Steel, Commissioner, Canadian Radio Commission, Ottawa.

Present, subject to call, if required:

Col. C. A. Chauveau, Vice-Chairman, and several officials of the Radio Commission.

Officers of the Radio Service, Department of Marine, Ottawa.

Others with radio interests.

Lt.-Col. W. A. Steel recalled:

The witness was examined during the first part of the examination, by the Committee generally, but during the latter part of the examination, Mr. McIntosh made strong criticism of the quality of the programs, which have for the most part, occupied the air for Canadian broadcasts to the Prairie Provinces, from the Commission station at Calgary.

The witness stated that the majority of the reports the Commission had received from that section of Canada, had been favourable. He thought it only fair that Mr. Bushnell of the Radio Commission, who has charge of the program work through Ontario and the West, and is an authority on that class of work, should be allowed to come before the Committee or to submit a brief, in connection with the criticism made.

The witness submitted a memorandum as a reply from the Commission to the Brief submitted by the Canadian Radio League, and asked to have it extended into the record of this day's evidence, which was agreed to. (See evidence.)

The witness retired.

The Chairman announced that Dr. Geldert, owner of station CKCO Ottawa, had extended an invitation to the members of the Committee to visit his station.

The Committee having decided that no further evidence would be adduced before the Committee after to-day's sitting, the Chairman appointed as a Sub-committee to draft a report and submit same to the Committee as a whole, the following, to comprise the personnel:—

Hon. Mr. Howe, Mr. Massey, Mr. Bouchard and Mr. Martin, to act in conjunction with himself (ex-officio) as a sub-committee to meet and draft the report for submission to the Committee.

The Chairman expressed his appreciation for the co-operation of all the members of the Committee, and thought their combined work and the evidence secured would be valuable in connection with broadcasting in Canada.

Colonel Chauveau, Vice-Chairman, Canadian Radio Commission, requested that he be allowed to move a vote of thanks to the Chairman of the Committee, on behalf of the Commission.

Mr. Massey, on behalf of the Committee, moved a vote of thanks to the Chairman, for his fair and considerate treatment of all members of the Committee. Motion was seconded by Mr. Bouchard and Carried.

Mr. Martin made kindly mention of the services of the secretary of the Committee, and the reporters who had recorded the proceedings. He also alluded to the examination of the witness by Mr. McIntosh, during the last half hour as being appreciated by the Committee.

By general consent, the Committee adjourned to the call of the chair.

E. L. MORRIS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 375,

FRIDAY, May 15, 1936.

The Special Committee appointed to inquire into the administration of the Canadian Radio Broadcasting Act of 1932 and amendments met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will kindly come to order, we shall proceed. What is the wish of the committee? I might inform the committee that Mr. Charlesworth is sick in bed and will not be able to be present to-day. You understood yesterday that he was not feeling very well. We have Colonel Steel and Colonel Chauveau here. Is there anybody else that you wish to call? Mr. Shaver is here. His name was mentioned yesterday. What is the wish of the committee?

Mr. BERTRAND: Colonel Landry is here. He was present in Quebec, so we might just as well clear this affair of the banquet up. It will not take long.

The CHAIRMAN: Do you wish to have Colonel Landry?

Mr. BERTRAND: Yes.

The CHAIRMAN: Will Colonel Landry please come forward?

A VOICE: He will be back in a minute.

The CHAIRMAN: Who shall we go on with?

Mr. CAMPBELL: We had better have Mr. Shaver first.

The CHAIRMAN: Will Mr. Shaver please come forward?

G. M. SHAVER, called and sworn.

By Mr. Campbell:

Q. Mr. Shaver, what is your position now?—A. Representative of the treasury.

Q. And what are your duties?—A. I handle all the accounts of the Radio Commission, the Tariff Board, the National Research Council and the International Joint Commission.

By the Chairman:

Q. For the treasury board, for the comptroller of the treasury?—A. Yes.

By Mr. Campbell:

Q. Did you act in any other capacity for the radio commission?—A. In 1933 I acted in a dual capacity. The radio commission had no one familiar with government accounting, and they asked me to go up there and take charge of their accounting. I did that for about one and a half years. I might say that my responsibility was very limited. I made practically no expenditures on my own, and I merely O.K'd bills that I was satisfied were correct.

By the Chairman:

Q. Were you acting in a dual capacity at that time?—A. At that time I acted in a dual capacity, yes.

Q. For the radio commission?—A. Yes. I sent them down to my own office.

Q. And then you passed them again?—A. I sent them down to my own office and passed them.

By Mr. Campbell:

Q. Is that a common occurrence?—A. No. It is a very uncommon occurrence. I do not know of any other.

By Mr. Bertrand:

Q. Had there been an order in council passed?—A. There was no order in council that I know of.

By Mr. Campbell:

Q. You were expecting to become a permanent employee of the commission, were you?—A. I was told that efforts would be made, and I know that efforts were made to get me appointed.

Q. And then after that failed, you reverted back?—A. After that failed I saw no point in trying to hold two positions and I came back to my own position that I am in now.

Q. How long have you been there now?—A. Something over a year.

By the Chairman:

Q. Mr. Shaver, let me ask you one question. While you were acting in that dual capacity, had you charge of passing on the accounts for the Comptroller of the Treasury? That was your duty?—A. Yes.

Q. Accounts of the radio commission?—A. Yes, it was.

By Mr. Campbell:

Q. There is a large amount of correspondence between the Comptroller of the Treasury and the commission regarding expense accounts and certain charges. Do you have charge of that or does Mr. Sellar's staff?—A. Well, I am responsible for Mr. Sellar's staff. They go through me finally for payment.

Q. Do you have the same trouble, or a large amount of correspondence with other departments?—A. No.

Q. You do not?—A. No.

Q. It is rather uncommon?—A. It is uncommon.

Q. You heard Mr. Charlesworth say yesterday that it was a common thing for government departments?—A. It may be, but not in my experience. I have never had the least bit of difficulty with the Research Council accounts.

Q. Yesterday you heard some evidence regarding these expense accounts. Have you ever questioned any of these?—A. I have questioned some. I might point out that the travelling expense regulations are set out very clearly.

Q. What are the travelling expense regulations?—A. I think I had better file a copy.

Q. That will be fine. Is that one of the sections of the Audit Act?—A. No. It is a straight order in council.

Q. What is section 30 of the Audit Act?—A. I cannot tell you off-hand.

By the Chairman:

Q. While you were acting in the dual capacity, was there any trouble between the Comptroller of the Treasury and the radio commission?—A. I would not say there was any trouble, Mr. Beaubien. Some of the expenditures did not seem just as they should be. I do not mean by that that there was any squandering of money. Any difficulty there was, I think, was just due to lack of experience of the people who made the expenditures.

Q. The point I want to make is that you were acting for the radio commission?—A. Yes.

Q. And you approved the accounts of the radio commission?—A. Yes.

[Mr. G. M. Shaver.]

Q. And then as one of the officers of the Comptroller of the Treasury, you passed on these accounts again?—A. Yes.

Q. Were you the sole man who finally gave the approval of these accounts when you were acting in that dual capacity?—A. Now you are asking about the approval. While I signed these vouchers, in every case I got the approval of the responsible party, Colonel Steel, Mr. Charlesworth or Mr. Maher at that time.

Q. The point I want to make is that you were acting in a dual capacity. The accounts of the radio commission came before you for your signature?—A. Yes.

Q. You signed those accounts?—A. Yes.

Q. Which were approved by the radio commission?—A. Yes.

Q. Then after that the Comptroller of the Treasury began to function?—A. Yes.

Q. After those accounts were approved by you?—A. Yes.

Q. And as an officer of the Comptroller of the Treasury, acting in a dual capacity, you were the only man for the Comptroller of the Treasury who approved those accounts which you had already approved by your signature. Am I right?—A. Yes, you are right.

Q. So that it is only natural that you would not disapprove of accounts which you had already approved by your own signature?—A. No. Before I approved it in the first place, I satisfied myself as far as possible that the account was O.K.

By Mr. Bertrand:

Q. But you gave orders to yourself to pay it?—A. Yes; after satisfying myself as far as I could that it was all right.

By Mr. Campbell:

Q. That condition has changed now?—A. Yes, that condition has changed now.

By the Chairman:

Q. Is that usual?—A. No, it is not.

Q. To act in this dual capacity?—A. No, it is not. It is very unusual.

By Hon. Mr. Howe:

Q. It is not so very irregular, is it? I mean, the Comptroller of the Treasury really does accounting for a good many government departments, does he not?—A. Yes.

Q. For instance, the Department of Marine. You have offices for the handling of funds and paying the accounts. Is that not true?—A. Yes.

Q. So going into the offices of the radio commission was not anything so terribly out of line?—A. I would not say it was terribly out of line. I do not see anything wrong with it.

Q. No. Under the ordinary set up, the Comptroller of the Treasury would do the accounting for them?—A. Yes, they would do the accounting.

By the Chairman:

Q. Is it a common practice?—A. It is a common practice.

Hon. Mr. Howe: Oh, yes.

WITNESS: It is not a common practice for the representative of the treasury to O.K. an account that goes to the same man for payment. That is not common, this dual capacity. There is that question there. It went on with the approval of the government, I might say.

By the Chairman:

Q. I am not kicking about that. But it sounds rather peculiar to me.—
A. It was the intention to have me appointed there.

Hon. Mr. HOWE: It would be another officer of the treasury that would check the accounts. The treasury handles the money for all these things.

The CHAIRMAN: But Mr. Shaver had the final say whether the Comptroller of the Treasury would pay that account or not.

WITNESS: Yes.

By Mr. Campbell:

Q. Mr. Shaver, you would have the dealing with or settling of the accounts, or the handling of the accounts between the wire companies and the commission, would you?—A. They come to me for payment, yes.

Q. Was there any dispute between the commission and the line companies regarding the line rates, or the line contracts?—A. I cannot tell you a great deal about that. I have an idea that there was a dispute and that it is not finally settled.

Q. Is the dispute on now?—A. Well, I know the accounts are being held up.

By the Chairman:

Q. Why are they being held up?—A. Well, I am holding accounts now on my desk that Mr. Sellar has written the chairman of the radio commission about, that they were not in accordance with the contract.

By Mr. Campbell:

Q. Is there more correspondence regarding that?—A. I did not see the correspondence; there probably is.

Q. There is some filed with the committee, and that is the reason I asked you. Do you know why they are being held up?—A. I cannot tell you that except perhaps for the same reason that I am holding up the ones I have, that they are not in accordance with the contract.

By Mr. Martin:

Q. What do you mean by saying they are not in accordance with the contract?—A. There are certain provisions in that contract as to what the radio commission will pay for those wire lines.

By Mr. Campbell:

Q. In other words, the wire companies are billing the commission for services they did not give according to the contract, is that it?—A. Yes, you may put it that way; services they guaranteed under the contract and they are charging extra for them.

Mr. MARTIN: We should have that correspondence.

By Mr. Bertrand:

Q. There were two contracts passed by the commission with the wire companies, the first in 1933 and another one in August, 1935. Do you refer to the first contract or to the second contract?—A. The second contract, the current contract.

By Mr. Campbell:

Q. The business under the first was done without any trouble?—A. There were no provisions in the first contract as far as I can remember in connection with any commercial lines.

[Mr. G. M. Shaver.]

Q. What rental do you pay the Marconi Company for the station at Chicoutimi?—A. \$935 per month.

Q. What power it is—A. Colonel Steel could tell you that.

Colonel STEEL: 100 watts.

By Mr. Campbell:

Q. Is not that out of line with some of the other rentals?—A. I might point out in connection with that contract that the Marconi Company furnished the taff, and the studio as well, I understand.

Q. Who is the manager?—A. Mr. V. Fortin.

Q. Is he an appointee of the commission?—A. No; he is an appointee of the Marconi Company.

Q. Does he work for the radio commission on programs?—A. I have seen his name on programs lately, extra.

Q. What rental does the Marconi Company get for the Montreal Station?—A. I think it is \$17,000 a year.

Q. I think Mr. Charlesworth stated yesterday that a new contract or new rental basis was being worked out. Does that terminate soon?—A. My record shows that that contract terminated last September; it is carrying on.

By the Chairman:

Q. Is it under contract to-day?—A. No; not so far as I know. It is not under contract now; it is being used and carried on.

By Mr. Campbell:

Q. Where is station CRCK?—A. Quebec.

Q. Who owns the building and equipment there?—A. The Canadian Marconi Company.

Q. Who owns the land?—A. I think the radio commission bought that land.

Q. Have they spent any money on it?—A. I think they have spent money on improving it.

Q. What price did they pay for the land?—A. My recollection is \$4,800.

Q. Is it near the city of Quebec?—A. I judge it is about ten miles outside the city; I would not say for sure.

Q. How large a piece of land is it?—A. I could guess. It is about eight or ten acres.

Q. Do you know from whom it was bought?—A. I cannot say now; I could find that out for you very easily.

Q. I see that the Comptroller of the Treasury had some correspondence last fall regarding the desire of the radio commission or Mr. Charlesworth to purchase eight pianos and seven piano trucks and a bench at a cost of \$12,700 odd.

By Mr. Martin:

Q. What is a piano truck?—A. A truck for moving grand pianos around from one studio to another, I suppose.

Q. An automobile truck?—A. No, just to move pianos around the building, moving the heavy grand pianos.

By Mr. Campbell:

Q. I notice that they wished to purchase these pianos and pay only \$5,000 down and pay the rest during this fiscal year? (No response.)

The CHAIRMAN: What was the contract price?

Mr. CAMPBELL: \$12,712.

Q. Apparently that was held up by the Comptroller of the Treasury. Can you throw any light on that?—A. I think I reported to the Comptroller of the

Treasury that I had an order for that under those terms, and the Comptroller of the Treasury did not think it should be done, that if they wanted to buy pianos they should buy them out of the money they had instead of carrying it over to another year.

Q. I see that in the correspondence. Have they the power to buy pianos and charge them to another year?—A. No.

Q. That is not government practice?—A. No.

Q. The government buys for cash in nearly all cases?—A. Yes, except line contracts. Purchases they buy for cash.

Q. So this was a rather abnormal happening?—A. It was.

Q. I notice another case just recently where a certain amount of money, \$4,000, if I remember rightly, was taken from a contract with a certain company and transferred to another account, just near the end of the fiscal year. Is not that a rather unusual request?—A. It is an unusual request where there is a contract involved. When the contract was made we set out the commitment—

Q. With whom is that contract?—A. I think probably you refer to the Western Ontario Broadcasting Company at Windsor.

Q. What was it for?—A. That was for the operation and rental—no, not the rental. The commission bought a transmitter and installed it on the property of CKLW. CKLW operated it. In addition to that the radio commission had the use of their studio, studio operators and announcers in putting on their programs.

Q. Why did they want to take \$4,000 from that contract? That was encumbered?—A. Yes.

Q. Why did they want to take \$4,000 from that contract?—A. Some time last fall the radio commission found that the conditions there were not satisfactory, as far as I know. They then rented studios in the Prince Edward Hotel, and since they did not have the use of CKLW and their operators and announcers they decided they would reduce the payments by 50 per cent.

By Mr. Martin:

Q. Was there any question by the treasury about moving from one building to another? (No response.)

The CHAIRMAN: I think we omitted to put this witness under oath.

Mr. CAMPBELL: Then you had better swear him.

Mr. MARTIN: There is nothing personal about it, Mr. Shaver.

The CHAIRMAN: Oh, no. It was decided by the committee to put every witness under oath. We will put this witness under oath and if he wishes to make any changes in the statements he has made this morning he is at liberty to do so.

Mr. McINTOSH: It is just a matter of keeping the record straight, Mr. Shaver.

WITNESS: I understand.

Witness duly sworn.

By the Chairman:

Q. If you wish to make any changes in the statements or answers you have given before you were sworn you are at liberty to do so, Mr. Shaver?—A. There is no change to be made.

Q. Then we may regard the evidence already given as given under oath?—A. Yes.

By Mr. Martin:

Q. The commission, you said, were occupying space in a private station in Windsor under lease?—A. Yes.

[Mr. G. M. Shaver.]

Q. And then as the result of some provocation about which Colonel Steel will likely be able to tell us more the commission moved from that building into another one?—A. Yes.

Q. Was there any question by the Comptroller of the Treasury in regard to the transfer in view of the lease?—A. No.

Q. He did not question it at all?—A. No.

Q. You are paying twice now, are you not?—A. We are paying twice as far as the office space in the old building is still being paid for.

Q. And yet not being used?—A. So far as I know.

Q. How much is that?—A. \$100 per month.

By Mr. Campbell:

Q. I find this correspondence now. Apparently this \$4,000 was not needed in this contract owing to the change made, but why would they want to place it in the contingencies allotment?—A. They could make other use of it then.

Q. Was that allotment over-expended?—A. Well, towards the end of the year not only the radio commission but every other department of the government is looking for money.

Q. Was this an unusual request? I see the Comptroller of the Treasury apparently held it up?—A. That is the only request I have had like that; it is unusual so far as I know.

Q. You feel, I think, Mr. Shaver, in view of what you told me at first and in view of all this correspondence with the Auditor General and the Comptroller of the Treasury that the business administration has not been of the best?—A. Now you are asking for an opinion.

Q. You are on the job representing the treasury and you represent them in three other departments. What experience did you have previous to that? Were you in similar positions?—A. From 1926 to 1931 I was accountant for the National Research Council.

Q. Did you have any trouble there?—A. No, I had not.

Q. Who was your chief there?—A. The secretary treasurer, Mr. S. P. Eagleson.

Q. Did he have full charge of all expenditures?—A. Yes, under certain directions of Dr. Tory and the council.

Q. And there was no trouble with the Auditor General?—A. No. As far as the National Research Council is concerned I think if you will refer to the Auditor General's reports you will not find one letter of complaint.

Q. How much money did they expend?—A. They started the first year I was there with \$150,000 and it worked up to about half a million dollars at the end of 1931 when I was transferred.

Q. How much money do these other departments that you are looking after spend?—A. The Tariff Board expends \$200,000 or \$250,000; the International Joint Commission is a mere bagatelle, expenditures on travelling expenses, etc., and the radio commission.

Q. You are still on the National Research Council?—A. I handle their accounts.

Q. How much are they spending now?—A. About \$600,000.

Q. They are all in similar positions?—A. Pretty much.

Q. They are all handling special accounts for a number of men travelling, no doubt?—A. The National Research Council have different problems from other departments of the government, but we have had no trouble.

By the Chairman:

Q. Do you act in a dual capacity for the National Research Council?—

A. No.

By Mr. Campbell:

Q. I take it from all your evidence that I would be safe in saying that the business administration of this department was not of the best?—A. You have the evidence. Certainly there are a lot of questions about it. The committee can form its own opinion.

Q. You were not satisfied, as the representative of the treasury?—A. No; personally I was not satisfied.

By Mr. Bertrand:

Q. Were you in charge of the accounts of the commission at a certain time when officials of the commission in Toronto were singing and taking salary under fictitious names?—A. I do not know of any case like that.

Mr. BERTRAND: Is Colonel Landry here?

The CHAIRMAN: We can call Mr. Shaver again if we need him.

By Mr. Bertrand:

Q. You do not remember accounts that came from Toronto for an artist who had been singing under the name of Ball, and it was discovered that it was one of your officials who had received orders not to sing because he was being paid otherwise?—A. No; I cannot say I do. I recollect that there was somebody named Ball on the program, but it was just a name to me; I do not know the person.

Q. Did you O.K. the bills?—A. I O.K'd the bills after the program department O.K'd them.

Q. Please read this minute appearing at page 289 of one of the minute books of the commission and see if it refreshes your memory?—A. I notice that is signed by Mr. Mortimer, an employee of the radio commission.

Q. Were you there at that time?—A. No; I do not think I was, not if he signed it.

By Mr. Campbell:

Q. I note some other correspondence here from the Auditor General regarding the employment of all the staff at the station at Quebec about a year ago being charged to the program allotment of the commission. I note several other cases where people have been charged to the program allotment who apparently were working on the staff?—A. As to the Quebec station, when they opened the station apparently they had difficulty in getting the staff. They had authority to open the station and had to employ somebody, and they had no other way of paying them. They got services for the money spent.

Q. I am not questioning that, but I say they were charged to the program allotment?—A. Yes.

Q. And of that \$430,000 shown last year a good portion was for expenditures such as those?—A. It might have been.

Q. Then we cannot say that all that money went for programs?—A. No.

Q. Have you any idea of the amount?—A. No; it could be arrived at, but I could not tell you now. There were some in Montreal in the same situation until they could get them through the treasury board.

Q. And some in Toronto?—A. Perhaps one or two in Toronto, until such times as they could get them through the treasury board and get them appointed.

Q. Did they have the same trouble in other departments in getting appointments through treasury board?—A. Not that I know of. In the case of the Research Council, if they could not get the appointment through the person was not hired.

Q. And in this case they hired the persons before they were put through the treasury board?—A. In Quebec they had authority to open the station and had to find some staff.

[Mr. G. M. Shaver.]

By the Chairman:

Q. They would get that authority from the governor in Council?—A. Yes.

By Mr. Campbell:

Q. And had to go to the treasury board to get the staff?—A. Yes, and until such times as they could get that staff they had to keep the station open.

Q. Why not have these things arranged previously?—A. That was a matter of administration.

Q. It is unusual, is it not? When a person becomes employed by a governmental body he expects to be paid. I notice a case of a lady in Toronto who was not paid for four months. Is not that unusual?—A. Yes.

By the Chairman:

Q. Do you mean to infer that before the radio commission has power to hire anybody they have to get approval from the treasury board?—A. From the governor in Council.

Q. To hire artists?—A. No, but to put people on the permanent staff as employees.

By Mr. Campbell:

Q. That happens with other departments, does it not?—A. No.

Q. It does not?—A. Not that I know of.

Q. This is a different set-up?—A. Yes.

Q. Then it does not work satisfactorily?—A. Not very.

Q. It has not proven satisfactory?—A. No; it has not proven satisfactory.

By the Chairman:

Q. It has brought about a great deal of friction between the radio commission and the Comptroller of the Treasury?—A. It has; there is quite a lot of difficulty.

By Mr. Campbell:

Q. That is probably not all the fault of the radio commission. It is the nature of the set-up?—A. Yes, the nature of the set-up.

The CHAIRMAN: Mr. Bertrand, do you wish to ask Mr. Shaver any other questions?

Mr. BERTRAND: No.

WITNESS: Might I make a little correction in the impression that was left on the minds of the members of the committee when Mr. Dupuis was examining Mr. Charlesworth yesterday?

The CHAIRMAN: Is it in the nature of evidence?

WITNESS: I will not call this evidence, Mr. Chairman. It is a rather unusual situation.

The CHAIRMAN: If the members of the committee have no further questions to ask Mr. Shaver then perhaps he could be allowed to make a statement.

Mr. McINTOSH: What is the statement about?

The CHAIRMAN: About what happened yesterday. His name was brought into the discussion.

By Mr. McIntosh:

Q. Do you want to amplify something from your point of view?—A. Yes. Not only my name but the name of the comptroller of the treasury was brought into the discussion yesterday.

Q. And you want to amplify something from your point of view and from the point of view of the comptroller of the treasury?—A. Yes. I think the committee should know more about what was discussed yesterday. The night before last Mr. Dupuis asked for any reports I had made to the comptroller of the treasury, asked that they be brought in here. He came to me yesterday about five minutes to four and asked me for the reports, and I understood that I was to go on the stand, but Mr. Charlesworth was called first. Mr. Dupuis had this report which I had made to the comptroller of the treasury at Mr. Sellar's request covering the activities of the radio commission for the three years. Now, I think Mr. Dupuis yesterday gave the members of the committee the impression that this was a report by the comptroller of the treasury and questioned Mr. Charlesworth accordingly. It was not a report of the comptroller of the treasury. He quoted out of that record.

By the Chairman:

Q. From whom is this report?—A. That is a report from me to the comptroller of the treasury.

Q. And as far as the radio commission was concerned you were really acting on behalf of the comptroller of the treasury?—A. Yes.

Q. So this was a report from yourself to yourself?—A. That is a report which nobody but Mr. Sellar and myself have seen.

Q. Is this supposed to be a confidential report you made to the comptroller of the treasury?—A. Yes.

Mr. McINTOSH: What is the date of the report?

The CHAIRMAN: Canadian Radio Broadcasting Commission financial statement and memorandum for the fiscal years 1932-1933 to 1935-1936.

Mr. CAMPBELL: We gave Mr. Dupuis the power the other night to ask for the reports.

WITNESS: Yes, that is why that was brought in.

By Mr. Campbell:

Q. You made the report as representative of the treasury to your boss?—A. To my own chief. I just wanted to clear that question up. It was not a report of the comptroller of the treasury but my report to the comptroller of the treasury.

The CHAIRMAN: I do not know how these departments of the government function, but I cannot understand one man making a report to himself.

Mr. CAMPBELL: No., that is wrong. The dual capacity has been abolished.

The CHAIRMAN: He reported on his own action from the time he was with the radio commission.

By Mr. Campbell:

Q. Is that correct?—A. I reported from the first, of course.

Mr. RYAN: The facts are all correct, are they not?

The CHAIRMAN: I am not criticizing Mr. Shaver.

By Mr. Martin:

Q. I do not understand the significance of what you are trying to say beyond the fact that it was a report from yourself and not from the comptroller of the treasury?—A. The way Mr. Dupuis was questioning Mr. Charlesworth yesterday, I thought perhaps there was some confusion.

By Mr. McIntosh:

Q. Is this report a link in the chain of evidence we had yesterday?—A. Mr. Dupuis quoted from the report as a report from the comptroller of the treasury, and it is not.

By Mr. Bertrand:

Q. Whether the figures are confidential or public they are correct, I suppose?—A. I think they are correct.

Q. Then it does not make any difference whether he took his figures from this report or any other report?—A. That report was not made for this committee. The committee is entitled to it, and had power to ask for it, and I took it that they did so the night before last.

The CHAIRMAN: I have no objection to the report being used by the members of the committee, but I do not understand how one man makes a report to himself on his actions with another body.

Mr. CAMPBELL: To his boss.

WITNESS: I made that report to my chief, the comptroller of the treasury.

Mr. CAMPBELL: To Mr. Sellar.

The CHAIRMAN: On his own action.

Mr. CAMPBELL: That is not uncommon.

WITNESS: Not only my own action, but the action of everybody connected with the Radio Commission.

By the Chairman:

Q. I cannot understand how you can have any efficiency under such circumstances?—A. It was admitted that the arrangement was not satisfactory.

Mr. BERTRAND: It was an order to myself to pay for what he had passed upon. Surely that was not a good practice.

WITNESS: It was not a good practice. If you want this report I will leave it.

The CHAIRMAN: You might as well leave it here.

WITNESS: There are three or four others.

Witness retired.

Colonel R. P. LANDRY, called and sworn.

WITNESS: Mr. Chairman, with your permission I would like to make a correction in a statement I gave which appears at page 303 of the minutes of proceedings and evidence No. 9, dated Monday, May 4, 1936. The evidence in part reads as follows:—

I asked the accountant to secure the bill from the Bell Telephone Company. As a matter of fact, we wrote twice to the Bell Telephone Company, and they replied they had lost the slips.

What I meant to say there was that they had replied that they had destroyed the slips. I believe I have filed a letter with you, Mr. Chairman, to that effect. It was shown that it was the custom of the Bell Telephone Company to destroy slips three months after the calls had been placed.

By Mr. Bertrand:

Q. Were you present in Quebec when there was a banquet or something like that given?—A. Yes.

The CHAIRMAN: At the opening of the Quebec station.

By Mr. Bertrand:

Q. At the opening of the station in Quebec?—A. Yes.

Q. Tell us what happened there in connection with the expenses?

By Mr. McIntosh:

Q. First, tell us where this banquet was held?—A. It was not a banquet, it was a reception, which was held at the Officers' Mess of the 6th Brigade of the Canadian Artillery. When the question of the opening of the station at Quebec was discussed by the commission it was decided that they should invite His Honour the Lieutenant-Governor, cabinet ministers and members of parliament.

By Mr. Bertrand:

Q. Cabinet ministers of the provincial government?—A. Of both federal and provincial governments; and the mayor of the city of Quebec and other officials. In view of the character of the broadcasts, and in view of the fact that this broadcast was only of a half hour duration, the commission thought it advisable to hold a reception. It first thought of holding the reception at the Chateau Frontenac at Quebec, and then they thought that the expense might be a little high and they accepted the invitation of the officers of the 6th Coast Brigade, C.A. at Levis. There were over 800 people who attended the broadcast at Quebec at the Chateau Frontenac and there must have been between 200 and 300 people who attended the reception. During this reception, or even at the Chateau, to my knowledge, there was not one glass of champagne served.

Q. I beg your pardon.—A. To my knowledge there was not one glass of champagne served. It may be that there were private parties after the broadcast. But if there were, I do not know anything about that.

Q. We are interested to know whether the commission paid any amount for champagne?—A. No, sir.

Q. Amounting to the sum of \$400?—A. No, sir, not to my knowledge.

By Mr. McIntosh:

Q. As far as you know the commission did not pay anything for champagne?—A. No, sir.

By Mr. Campbell:

Q. Or under any other heading?—A. Not that I know of.

Mr. MARTIN: Worse luck.

Mr. CAMPBELL: It was a dry party.

The CHAIRMAN: If anything like that happened you would know about it.

By Mr. Bertrand:

Q. Do you know anything about this minute at page 289 where it appears that Mr. Lucas, Mr. Radford and Mr. Weddington, all officials of the commission, had been receiving payment of certain sums of money under fictitious names in Toronto and Windsor?

Mr. MARTIN: What, in Windsor?

Mr. CAMPBELL: Yes.

WITNESS: Around April 27, 1935, Mr. Mortimer, the accountant, reported to me.

By Mr. Massey:

Q. What is the date?—A. April 27. He reported that certain names were being placed on bills for the payment of artists fees, and that in his opinion these people were not artists. I had, therefore, no other recourse than to report the matter to the commission, which I did.

[Lieut.-Col. R. P. Landry.]

By Mr. Bertrand:

Q. What did the commission do on your report?—A. The commission discussed the matter at a meeting held on that date—I forget the date.

Q. There is a man like Mr. Rupert Lucas there who seems to have received an amount of money when he was already receiving \$3,600 per year. What did the commission do about that?—A. I believe at the time the matter was left in abeyance until the return of Mr. Bushnell; then the question was gone into and I believe instructions were given to the accounting branch in respect to it.

By the Chairman:

Q. What were those instructions?—A. I do not know, I was not in charge of finance.

By Mr. Bertrand:

Q. What about Mr. Waddington?—A. I do not know, I was not in charge of finance. All I got is the report, the internal report of the commission.

Q. As secretary of the commission, you do not know whether they were paid or not?—A. I was not in charge of finance at that time. I do not know.

Q. When did you begin to be in charge of the finance part of it?—A. I believe it is in the minutes. It would be at the end of October or the beginning of November, 1935.

Q. Who was in charge at that time; I mean in April, 1935?—A. I would not be sure. I think either Col. Steel or—

Q. After Col. Steel?—A. I would have to look up the minutes. I would not be sure.

Q. Well, look at the record?—A. The commission in general was in charge of finance at that time.

By the Chairman:

Q. Col. Landry, you are really in charge of that now, are you?—A. I have been given the authority of signing accounts, payment of accounts on behalf of the commission to the extent of \$500. Any amount exceeding \$500 is submitted for approval by the commission.

Q. Let me ask you a question there. Suppose I am an artist—which I am not.

Mr. CAMPBELL: Sometimes.

By the Chairman:

Q. Suppose I sing for the radio commission under nom de plume or artist's name, not my real name at all. When I receive my cheque, do I receive it under my assumed name or under my real name?—A. Well, I think the question—

Q. I mean what is the practice? I just want to know what the practice is.—A. The practice would be that we would pay all cheques in the real name.

Q. The real name?—A. Yes.

Q. Do you know any case where it has been paid under a fictitious name?—A. Well, apart from the report which I received; that is about the only case that I know of.

By Mr. Ryan:

Q. That report said they were paid under fictitious names?—A. Yes.

Mr. MARTIN: You had better read it.

By Mr. Campbell:

Q. Will you read the minute? I think it should be in the evidence?—A. This is an extract of the minutes of the 106th meeting of the commission held on May 3, 1935, in the National Research Building, Ottawa. The following were

present: Mr. Hector Charlesworth, Chairman; Mr. J. N. Cartier, Vice-Chairman; Lieut.-Col. W. A. Steel, M.C., Commissioner; and Lieut.-Col. R. P. Landry acted as secretary. At 2.40 the meetin opened.

Mr. J. N. Cartier submitted a memorandum from the accountant in respect to certain irregularities concerning the payment of the personnel of stations CKNC and CRCT.

Q. Who would be the accountant, Mr. Mortimer?—A. Mr. Mortimer was the accountant. Continuing:

The memorandum reads as follows:—

MEMORANDUM TO MR. CARTIER

Pursuant to our conversation regarding the staff at Toronto receiving artist's fees, many members of the staff at Toronto were previously artists and since being taken on the staff continue taking part in programs and receive fees for these services in addition to their salary.

We consistently refuse to pay any member of the staff artist's fees but we find that in such cases they bill us under another name. The most outstanding cases of this kind are: Geoffrey Waddington, musical director; Rupert Lucas, manager; and Jack Radford (now at Windsor).

Geoffrey Waddington receives a salary of \$3,600 per year and at the present time he conducts three commission programs for which he receives conductor's fee of \$25 each, plus an allowance for musical arrangement, which is paid in the name of George Ball. He also conducts the Wrigley commercial program for which he receives \$370 per program for his entire orchestra, the detail of which shows \$100 for the conductor's fee and \$40 for musical arrangement; and the Wm. Neilson program for which he receives \$455 for his orchestra, the detail of which is similar to the Wrigley program. These particular commercials are paid by us, the cost of which is included in the billing to the sponsors.

Rupert Lucas receives \$3,000 per year as station manager and receives sundry artist's fees in various names, one of which is George Stewart and I believe another is Joseph Charles. Other members of the staff similarly receive artist's fees under other names.

April 27, 1935.

(Signed) W. R. MORTIMER,

Accountant.

By Mr. Bertrand:

Q. Who would be able to tell us what action has been taken after this was brought to the attention of the commission?—A. Well, I suppose any member of the commission.

Mr. BERTRAND: Mr. Lucas was not fired as he is still there.

By Mr. Campbell:

Q. Were you able to definitely prove that this was happening?—A. I do not know really what happened after the meeting in question. I know that some of the commissioners discussed the matter with Mr. Bushell.

By Mr. Bertrand:

Q. In this minute it is mentioned that the outstanding cases are— —A. I think that information could best be given by the accountant.

Q. Mr. Mortimer?—A. Mr. Mortimer.

[Lieut.-Col. R. P. Landry.]

By Mr. Campbell:

Q. That was his report?—A. Yes.

Q. That was probably final. I mean, he was satisfied in his own mind or he would never have made that report?—A. Yes.

Mr. CAMPBELL: It became commission property then.

By Mr. Bertrand:

Q. Do you know if Mr. Lucas was called upon to explain this?—A. I do not know, sir.

Q. Who would know?

Mr. BOUCHARD: The accountant.

WITNESS: The accountant or the commission.

By Mr. Bertrand:

Q. In connection with Mr. Shaver acting in this dual capacity, were there any representations made to the commission by the Auditor-General?—A. Yes.

Q. Have you got those representations somewhere in the minutes?—A. I do not think they are in the minutes. They would be by correspondence.

Q. Well, have you got the correspondence?—A. I do not know whether I have. There was a letter directed to the commission on February 12, 1934.

Q. Have you got the letter?—A. Yes.

Q. What does the letter say?—A. It reads as follows:—

OTTAWA, February 12, 1934.

DEAR SIR,—

Re Certification of Vouchers

I am in receipt of your letter of the 30th ult. advising that for the purposes of section 30 of the Consolidated Revenue and Audit Act Mr. Shaver is an officer of the Canadian Radio Broadcasting Commission.

Under an Order in Council of July 30, 1932 (P.C. 14/1724) passed under the authority of section 36 of the Consolidated Revenue and Audit Act Mr. Shaver was transferred to the Department of Finance. He is, therefore, not an employee of your commission and for that reason his certificate on the vouchers covering the revenue or expenditure does not meet the requirements of sections 30 and 31 of the Audit Act. In support of that view I enclose an opinion from the Deputy Minister of Justice.

Under the act creating the radio commission certain officers were appointed to administer that act. These officers are responsible for all the activities of the commission including the authorization of all expenditures as well as the collection of the revenue and they are the only ones competent to give the certificates called for by the Audit Act. The certificate of an official of another department whose duties are limited to the accounting service cannot cover all that is essential from the standpoint of departmental responsibility. I fully appreciate your difficulties but I think you will see there is a principle involved, which should be observed in the case of all departments and commissions.

There is no objection to Mr. Shaver signing the vouchers as the Accounting Officer but they should also be approved by some member of the commission or one of its officers who may be authorized for that duty.

Yours truly,

(Signed) GEO. GONTHIER,

Auditor General.

Mr. HECTOR CHARLESWORTH,
Chairman, Canadian Radio Commission,
Ottawa.

Q. On what date was that letter?—A. It is addressed to the chairman of the commission and is dated February 12, 1934.

Q. What action was taken on that letter? Did Mr. Shaver continue on in his dual capacity?—A. I do not know that Mr. Shaver certified the vouchers for payment, but he continued to act as accountant for the radio commission until the spring of 1935.

By Mr. Campbell:

Q. That was with the approval of the Governor in Council?—A. No.

Q. It was not?—A. No. There was never any authority for the appointment of Mr. Shaver to the radio commission. It was with the approval of the commission.

MR. CAMPBELL: Then the commission exceeded their authority? Is that what I am to take from that?

By the Chairman:

Q. Colonel Landry, it says in the minutes of the meeting that Geoffrey Waddington received the salary of \$3,600 per year and at the present time he conducts three commission programs for which he receives conductors' fees of \$25 each. That was paid by the commission to Mr. Waddington?—A. I presume so. I do not know. The accountant would tell you that.

Q. Plus an allowance for musical arrangements. He gets that from the commission?—A. I really do not know. The accountant could tell you those figures. I was not in charge of the finance. That is the report of Major Mortimer. According to the report it is assumed that he was receiving that money.

Q. From the commission?—A. Yes, from the commission.

Q. From the Comptroller of the Treasury who finally passes the payment?—A. Yes, directly or indirectly. It might have been paid by the National Carbon.

Q. He also conducts the Wrigley commercial program for which he receives \$370 per program for his entire orchestra. Would he get that from the Wrigley company or from the radio commission?—A. I believe the radio commission. I am not sure.

Q. Who could give us that information?—A. Mr. Mortimer would give you that.

MR. MASSEY: What was the date of that?

THE CHAIRMAN: What is that?

MR. MASSEY: What is the date of that?

THE CHAIRMAN: These are minutes of the meeting of the radio commission held on May 3, 1935.

By the Chairman:

Q. And the Wm. Neilson program for which he receives \$455 for his orchestra. How would that be paid? You cannot tell us whether that is paid by the Neilson company or the commission?—A. I cannot tell you. I was not in charge of finance.

Q. Mr. Mortimer could tell us that?—A. Yes.

MR. MASSEY: May I explain that? Mr. Waddington doing commercial programs was paid by the sponsors.

THE CHAIRMAN: That is what I am trying to find out.

MR. MASSEY: That is what I say.

MR. CAMPBELL: He has been also working for the commission.

[Lieut.-Col. R. P. Landry.]

The CHAIRMAN: Evidently he was also working for the commission.

Mr. BERTRAND: Would the bill be paid to the men?

Mr. MASSEY: The bill would be paid to the National Carbon Company, who would in turn pay the men.

Mr. BERTRAND: It was not the custom to pay fictitious names.

Mr. MASSEY: Well, all of us use fictitious names on occasion.

Mr. BERTRAND: All artists do.

The CHAIRMAN: Mr. Massey, I do not think that the Carbon Company should be brought into this thing at all, because we have been reading a minute of the meeting of the commission.

Mr. MASSEY: The point was directed to the paying of Mr. Waddington, as to who paid him.

The CHAIRMAN: This memorandum was presented by Mr. Cartier. Mr. Cartier wrote a memorandum in respect to certain irregularities concerning the payment of a personnel of stations CKNC and CRCT, which reads as follows—

Mr. MASSEY: Prior to September 1st, 1935,—subsequent to that, of course, these men were employed by the commission—these men were employed by the National Carbon Company.

The CHAIRMAN: You would have to stretch your imagination a great deal, according to this minute. Here it is.

Mr. MASSEY: May I see the minute?

The CHAIRMAN: Yes.

Mr. CAMPBELL: The point is as to what happened to them after it was presented to the commission?

Mr. BOUCHARD: Should we not get the accountant to explain?

The CHAIRMAN: Well, we will.

Mr. CAMPBELL: That is his report.

Mr. BOUCHARD: I understand that the witness says he is not competent to answer.

The CHAIRMAN: The memorandum is prepared by J. N. Cartier, one of the members of the commission.

By Mr. Ryan:

Q. As a matter of fact, would you not know from that report whether it was paid by the commission or not?—A. I assumed it was paid by the commission, but I would not know for a fact. I know the accountant could tell you that.

Q. Your assumption would be pretty well correct? Would it not?—A. I have no reason to disbelieve Major Mortimer's report.

Mr. RYAN: Oh, well, he is working for the commission. Here is the report made by Mr. Mortimer.

Mr. MASSEY: Mr. Chairman, may I explain? Because I am definitely connected with this, having been an advertising agent and having employed Mr. Waddington and Mr. Lucas on many occasions.

The CHAIRMAN: Your name is not mentioned here.

Mr. MASSEY: No. But I was an advertising agent, and the distinct understanding was, with Mr. Greig of the National Carbon Company, who was chief of these men at this particular time, that these men were to perform certain functions in the management of CRCT, and in the conduct of that station. These men were free lances from the point of view of being able to take commercial engagements. Mr. Waddington was musical director of that station and was employed on a local program by myself for the William Wrigley Com-

pany and on the Neilson program for the Neilson Company, and on sundry odd jobs of one sort or the other. Mr. Lucas was in exactly the same position. There was a definite understanding that that should be done.

The CHAIRMAN: Who was the understanding with?

Mr. MASSEY: Mr. Greig of the National Carbon Company. I understood that Mr. Greig had made that arrangement with the commission. May I continue? And having made that arrangement, I was able to employ Mr. Waddington for the Wrigley Company just the same as Mr. Metcalfe of the Neilson Company was able to employ Mr. Waddington for the Neilson Company, Mr. Cartier says that is irregular. We heard something of Mr. Cartier yesterday—not that what Mr. Cartier says carries any weight with me whatsoever. I think Mr. Charlesworth will bear me out in that. There was no irregularity in this matter; and I know, from the inside.

Mr. BERTRAND: The minute has no sense at all, then.

Mr. MASSEY: I would say that.

Mr. CAMPBELL: What disposition did the commission make? It apparently is not in the minutes.

Mr. BERTRAND: The question is whether Mr. Waddington and Mr. Lucas had an engagement with the commission that would forbid them to do any other thing of that kind.

Mr. MASSEY: They had no engagement with the Commission that forbids them to do anything else; and I know whereof I speak.

The CHAIRMAN: Evidently the Commission, who were in charge of the national radio broadcasting in Canada, did not have the same opinion that you have, Mr. Massey, according to the minute.

Mr. MASSEY: That was the definite understanding we had in contact with the Commission.

Mr. CAMPBELL: Mr. Lucas was on the stand and gave some evidence under oath. I questioned him at page 129 as to what his connection with the Canadian National Carbon Company was, who his superior was, and it was Mr. Greig. He was the man Mr. Massey has just mentioned. I asked what his main duties were and he goes on—

The CHAIRMAN: What page is that?

Mr. CAMPBELL: Page 129. He gives a long answer in which he says:—

I also did script reading. I was also acting in and producing major dramatic shows such as "Forgotten Footsteps" and "First Sunday." Also in special shows such as the Kipling broadcast of "Christmas with Dickens."

Q. Did you get paid for any of those special dramas?—A. Oh, I was paid a salary.

Q. By the Canadian National Carbon Company?—A. Yes.

Q. But nothing extra for any of the work that you had done for them?—A. No.

Mr. MASSEY: That is quite correct.

Mr. CAMPBELL: Continuing:—

Q. Or for the commission?—A. Prior to 1934 I was paid additional fees if I worked on a program.

Mr. MASSEY: That is correct.

Mr. CAMPBELL: Continuing:—

Q. You were given that privilege by your employers?—A. Yes, but it was discontinued in 1934.

Mr. MASSEY: That is correct.

[Lieut.-Col. R. P. Landry.]

Mr. CAMPBELL: Continuing:—

Q. Since then you have taken nothing?—A. No.

Mr. MASSEY: That is correct.

Mr. CAMPBELL: Well, this is 1935 that this matter came up.

Mr. MASSEY: That is quite correct. This minute is in error.

Mr. CAMPBELL: Now, Mr. Massey—

Mr. MARTIN: Mr. Chariman, I have the greatest respect for Mr. Massey. Everybody knows that.

Mr. MASSEY: I happen to be speaking about something I know something about.

Mr. MARTIN: I think in fairness to the procedure that it is out of order. Mr. Massey will not think this is personal, because he knows my regard for him. But I do think it is not the proper thing for a member of a committee to give evidence in this way. For instance, on one thing this morning I could have given some evidence, but I just did not feel, as a member of the committee, that it was the place to do it in this way.

Mr. MASSEY: Mr. Chairman, may I elucidate that point? Up until November of 1934 I was in the advertising business, conducting an advertising agency. In connection with that agency I was responsible for the production of radio programs for various clients, with the result that I had very direct contact with the various radio station in Toronto, CRCT, CFRB, CKCL and so on. During the course of the conduct of those particular duties I had to engage various artists for various programs. I engaged Mr. Waddington, and I engaged Mr. Lucas, among others. Up until a certain point, the date of which I cannot give you exactly, Mr. Waddington and Mr. Lucas were available for the purpose under the regulation which I mentioned a few minutes ago, with the arrangement that they had made with Mr. Greig, their employer, and by Mr. Greig with the commission. These men were available for certain commercial programs provided that they did not interfere with the conduct of their work at station CRCT.

The CHAIRMAN: Mr. Massey, just a minute, please.

Mr. MASSEY: Subsequent to that—

The CHAIRMAN: Let me interrupt you. I do not think this really has any bearing. We have the minutes of the radio commission before the committee here, and the minutes of the radio commission say certain things. If there is going to be any explanation of these minutes, I think it should come from the bodies responsible for these minutes. While I do not mind listening to it, I do not think your explanation gets us anywhere. Because upon the minutes of the radio commission, a responsible body, Mr. Bertrand is asking certain questions, questions based on those minutes. I do not want to prevent you from explaining.

Mr. MASSEY: I am simply offering an explanation.

The CHAIRMAN: I grant you that.

Mr. BERTRAND: Either Mr. Lucas and the others had the right to act in commercial programs or they had not. If they had, everything is O.K. But this minute is very deceptive. If they had not the right, then this minute is right, and we should know whether they had been paid or not.

The CHAIRMAN: In the way I interpret the minute that we have got before us to-day, Mr. Geoffrey Waddington was receiving \$3,600 from the commission.

WITNESS: Yes.

Mr. MASSEY: From the National Carbon Company.

The CHAIRMAN: He was receiving, according to the minutes, \$3,600 from the radio commission, paid by the Comptroller of the Treasury after it had been approved by the commission or whoever was in charge. I think that should

establish beyond any question that when Mr. Waddington was receiving \$3,600 a year from the commission he was employed by the commission and not by the Carbon Company.

Mr. MASSEY: Assuming that for the moment—though I will not admit it—Mr. Waddington is an outstanding director of radio programs in Canada.

Colonel STEEL: Mr. Chairman, this is rather an involved and intricate proposition. I could make a statement which I think would clear it up.

The CHAIRMAN: I think you had better wait and make your statement when we get through with the witness.

Mr. BERTRAND: We will call you.

Colonel STEEL: As long as I am allowed to make a statement.

The CHAIRMAN: I do not think you should make a statement now on account of the fact that we have a witness on the stand. You will be called on the stand later and you can make your statement then.

Mr. MASSEY: May I finish what I was interrupted in saying?

The CHAIRMAN: I do not see what bearing it has on it.

Mr. MASSEY: It has quite a lot of bearing, I think.

The CHAIRMAN: Well, if you are prepared—

Mr. MASSEY: May I proceed without interruption

The CHAIRMAN: If you are going to give an explanation for every question, or anything that is referred to in this minute, I do not think it is the proper procedure.

Mr. MASSEY: I am not endeavouring to give an explanation from the point of view of anything that is in the minutes. I am trying to state a general principle which I do not think many of the members of the committee would understand, in view of the fact that the radio business is the show business; and there are certain things done in the show business which are quite peculiar to it.

The CHAIRMAN: I grant you all that. But I am afraid I will have to rule against you. I do not like to do it. I would sooner have you not insist on it. I think your explanation has no bearing at the present moment; because we have Colonel Landry as secretary of the commission on the stand under oath giving evidence, and certain questions have been asked. Later on when we have no witness, if you wish to make any explanation, I do not suppose any member of the committee will have any objection.

Mr. MASSEY: I will abide by your decision.

The CHAIRMAN: I would not like to rule on that.

Mr. BERTRAND: I understand that Colonel Landry does not know any more than he says about this, and that Colonel Steel will be able to give us some explanation. That is what I understand from your testimony, Colonel.

By the Chairman:

Q. Is that your answer?—A. Yes.

By Mr. Bertrand:

Q. Who was instrumental in fixing the salaries of the different employees of the commission?—A. The commission was.

Q. I see here that the assistant broadcasters are paid \$1,800 in Windsor, in Toronto and in Vancouver; but they are only paid \$1,350 in Montreal. What is the reason for that?

Mr. MARTIN: I can understand that in the case of Windsor.

Mr. BERTRAND: Yes, but I do not understand it in the case of Montreal.

WITNESS: The reason for that is that the recommendation was made to that effect to the minister and the treasury board.

[Lieut.-Col. R. P. Landry.]

By Mr. Bertrand:

Q. Who did make that recommendation?—A. The commission.

Q. Speaking for the three?—A. Yes, sir.

Mr. BERTRAND: All right, thank you.

By Mr. Dupuis:

Q. Colonel Landry, what are your duties as secretary; I mean, as defined by the Civil Service Commission?—A. The position of Secretary to the Canadian Radio Broadcasting Commission was created by Order in Council P.C. 6/139 of January 30, 1933, a copy of which is filed.

The duties pertaining to the position, as defined by the Civil Service Commission on the recommendation of the Canadian Radio Broadcasting Commission, are as follows:—

Under the direction of the Commissioners to have administrative control and direction over the work and clerical employees of the radio commission; to attend meetings of the commission and to keep records of proceedings; to be responsible for the care and custody of papers, records, and documents and maintenance of records, regulations, and orders promulgated; and to perform other related work as required.

These duties, however, were not entirely devolved on me when I took over my present position. From February 13, 1933, to March 1, 1934, I handled the correspondence of the Commission generally; attended meetings and kept a record of same; and acted as secretary to the chairman and the vice-chairman.

On March 1st, 1934, the responsibility of certain administrative duties was turned over to me; these included the administrative control over the entire personnel appointed both under the Civil Service Act and the Radio Broadcasting Act, Section 4, as amended by 23-24 Geo. V, Chap. 35, 1933. It also included the administration of the filing department except for the custody of certain papers and documents mainly in the nature of contracts and documents pertaining to technical operations.

By Mr. Campbell:

Q. What date was it that you were given that privilege?—A. That is section 4, as amended by the act—1933.

By Mr. Dupuis:

Q. When were you appointed as secretary?—A. I was appointed as secretary on February 10, 1933, and I reported for duty on February 13.

On October 31, 1935, the commission delegated to me the authority to certify all vouchers for payment on behalf of the chairman. At the request of the chairman, I have also since that date exercised a general supervision over the expenditures of the commission.

By Mr. Bertrand:

Q. Have you had any deficits since you supervised the accounts?—A. Not that I know of.

By Mr. Dupuis:

Q. On what date did you take charge of the finances?—A. November 27, 1934.

Q. You have control of the finances?—A. Under the chairman.

Q. Under the chairman?—A. I sign the authority for payment of all accounts and on behalf of the chairman of the commission I exercise supervision over expenditures.

Q. Do I understand it was your duty to attend to the finances of the commission?

Q. Yes.

Q. You did not always have charge of the finances from the time of your appointment?—A. No. As I said, I only supervised the expenditures since November, 1935.

Q. November, 1935?—A. Yes.

Q. Since November last you have had charge of the finances?—A. Yes.

Q. Explain to the committee how it is that you did not attend to your duties before so far as the finances are concerned?—A. I am in the hands of the commission. The commission decided what functions its officials should exercise.

Q. I do not understand that. I understand that you read your duties as defined by the commission?—A. Yes.

Q. And it is stated that you must have charge of the finances?—A. It would include supervision of finances, I believe.

Q. Are you able to tell the committee what was the balance sheet of the commission in the years 1934, 1935 and 1936?—A. I have not got the figures with me. I think the accountant could supply them. I have the figures for the last fiscal year ending March 31, 1936.

Q. I understand that in your position as secretary you have charge of the minutes?—A. Yes.

Q. The minutes are in the hands of the chairman. Could you find in the minutes a statement showing the balance sheet for 1934, 1935 and 1936?—A. I doubt whether it would appear in the minutes.

Q. It does not appear in the minutes?—A. I do not think it does; it may.

By the Chairman:

Q. Is not the financial report given to the minister?—A. Yes, every year.

The CHAIRMAN: My information, Mr. Dupuis, is that the financial report of the radio commission is presented to the minister every year.

Mr. DUPUIS: It was stated yesterday and I have in my hand a memorandum of the amount at the disposal of the radio commission for three years and I would like to learn how the money was expended.

The CHAIRMAN: I think you could find that information in the yearly report of the radio commission which is submitted to the minister of Marine for every fiscal year since its inception.

Q. Is that correct?—A. Yes.

By Mr. Dupuis:

Q. But as secretary could you not remember, Colonel Landry, if there was a deficit or a surplus in 1934?—A. I believe there was a deficit.

Q. You believe that?—A. Yes.

Q. What makes you say that?—A. The accountant reported to me, I think, that there was a deficit in 1934.

Mr. BERTRAND: That all appears in the report of the auditor.

The CHAIRMAN: Any further questions?

Mr. DUPUIS: If I am going to be interfered with every time I put a question to the witness I might as well quit.

The CHAIRMAN: I am very sorry to hear you make that remark, Mr. Dupuis.

Mr. DUPUIS: I asked if I might be allowed to ask questions.

The CHAIRMAN: I think the chairman and every member of the committee has shown you every possible courtesy. Of course you are at liberty to ask any questions you desire, but if you can obtain from the annual reports the infor-

[Lieut.-Col. R. P. Landry.]

mation which the witness is not able to give you definitely I think it would facilitate the work of the committee and save the time of the committee if you would do so.

Mr. DUPUIS: I know where to go if it is necessary. The witness has not answered my question.

The CHAIRMAN: You are asking the witness questions which he cannot answer, but you can get the information from the report of the radio commission. If you like I will send for it immediately.

Mr. DUPUIS: The witness has just stated that he did not have charge of the finances of the commission until November, 1935, and I want to know what was the situation as to the expenditures of the commission previous to that and after that. As secretary of the commission he ought to be able to answer that question.

The CHAIRMAN: Have you any further questions to ask Colonel Landry?

Mr. DUPUIS: Yes, I have.

Q. Before you were in charge of the finances of the radio commission who was the official in charge of and responsible for the administration, finances and programs since 1933, for instance?—A. In 1933 and 1934, or part of 1934 if not the whole of that year, I believe the finances were under Colonel Steel, who had under him Mr. Shaver as executive assistant attending to the finances of the commission generally, and—

Q. And who checked the accounts?—A. May I complete my reply, please?—in 1935 the finances I believe were relinquished by Colonel Steel and placed under the commission. On March 1, 1934, Colonel Steel relinquished certain administrative duties which were turned over—pardon me a moment—until November 27, 1934, the financial department was left with Colonel Steel assisted by Mr. Shaver. On November 27, 1934, the minutes will show that the administration of finance was turned over to the commission as a body by Colonel Steel. In November last I was requested to sign the authority for payments of accounts on behalf of the chairman of the commission.

By Mr. Bouchard:

Q. Was your salary increased at that time?—A. I was appointed by the Civil Service Commission at \$3,720, less the salary deduction of 10 per cent, and I received an increase in salary to \$5,000.

By Mr. Campbell:

Q. What was it previously?—A. \$3,720. It was increased to \$5,000, effective from the 1st April, 1935.

By Mr. Dupuis:

Q. Was Mr. Shaver an officer of the commission in 1933?—A. No.

Q. He was not?—R. No.

Q. Is he now an officer of the commission?—A. No.

Q. Did you receive any report to the effect that the accounts were not properly paid?—A. There were reports made to me by my subordinate staff some time ago in 1934 or about that time to the effect that accounts were being paid without the approval or authority for payment by the commission, and I reported the fact to the members of the commission and particularly to the chairman and vice-chairman.

Mr. BERTRAND: When was that?

The CHAIRMAN: In 1934.

WITNESS: In 1934.

By Mr. Campbell:

Q. You have had considerable correspondence from the auditor general and the comptroller of the treasury?—A. I did not have anything to do with it; it went either to the commission direct or to the accountant.

By Mr. Dupuis:

Q. Would you explain how bills and vouchers are approved and paid by the commission?—A. The following procedure is observed: When an account is received by the commission for which the expenditure has been already authorized the account is passed on—do you mean general accounts or program accounts?

Q. Any account at all?—A. General accounts are passed on to the accounting branch, and they verify them as to the cost and as to the authority for expenditure.

Q. Who verify them?—A. The accounting branch of the radio commission. They also verify to see whether there are sufficient funds, and when the account has been properly checked it is passed on to the commission or to the officer who has been delegated the authority of approving the account, and then the account goes to the treasury for payment, and if the representative of the treasury finds it is not in accordance with regulations he questions it or returns it with his remarks. The payment of program accounts is not quite the same. A program originates throughout the country. Take as an example a program originating in Montreal: The manager or supervisor or director of programs will organize a particular program, and once this program has been on the air he will see that a payroll is made out showing the names of the participants in the program, and he certifies as to the presence of the artists. Then either the manager or somebody else from that station also gives the same certificate. Once this is obtained it is sent to the director of programs at Ottawa for that division, in this case to Mr. Dupont, who will approve or pass the account as to costs so that he will be sure it is within his budget. Then it is turned over to the accountant who will also check the account and it comes back to me for authority for payment, and then it goes down to the treasury for the issuance of cheques.

By Mr. Campbell:

Q. Are expense accounts paid in the same way?—A. Yes.

By Mr. Dupuis:

Q. In your capacity as secretary did you notice any irregularity in the accounts?—A. The only report I had was to the effect, as I have already stated, that some of the accounts were being paid without authority by the commission, and also this report filed in the minutes by Mr. Mortimer.

Q. Have you that report?—A. Yes.

Q. Could you tell me what was in the report?—A. The report filed by Mr. Mortimer—or rather by Mr. Cartier—with the commission was to the effect that some artists had been paid under assumed names.

By Mr. Massey:

Q. May I suggest that you change that to "stage" names instead of "assumed" names?—A. Then call it "stage" name.

Mr. DUPUIS: Or "false" name.

The CHAIRMAN: In the minutes this statement appears:—

Rupert Lucas received \$3,000 per year as station manager and receives sundry artists' fees in various names. Should we use "various" names?

[Lieut.-Col. R. P. Landry.]

Mr. MASSEY: "Various" or "stage" names would be more satisfactory than "assumed" names, I suggest. He is not a fugitive from justice.

Mr. BERTRAND: Apparently he is a fugitive from the committee.

By Mr. Dupuis:

Q. Where was that?—A. In Toronto.

Q. Could you find out in your book the difference between the regular salary and the inflated salary under the "stage" name? (No response.)

The CHAIRMAN: What is your question?

By Mr. Dupuis:

Q. Do you find a difference between the authorized wages paid to these artists or directors and the price actually paid by the commission when you have these "stage" names?—A. I believe that the accountant could give you that information.

By Mr. Campbell:

Q. Colonel Landry, I note from your statement that you have had charge of all personnel since last year?—A. I think it is since July, 1934.

Q. Did you have charge of the employment of the employees in Toronto?—A. Not over artists.

Q. No, I mean the regular employees?—A. For administrative purposes, yes.

Q. I asked for the files regarding the Canadian National Carbon Company, and you were good enough to supply some correspondence this morning but I cannot find anything definite therein. I have found a letter dated August 23, written by Mr. Rupert Lucas to Mr. Maxted setting out the names of all the employees then engaged by the Canadian National Carbon Company. Here is a letter dated July 26, 1935, from Mr. Greig to Mr. Steel?—A. I believe the question of absorbing the employees of the Canadian National Carbon Company by the commission was handled by Colonel Steel.

Q. The only correspondence he has been able to submit is this letter of July 26, 1935, from Mr. Ewart Greig, of the Canadian National Carbon Company Limited to the Canadian Radio Broadcasting Commission, which reads in part as follows:—

GENTLEMEN:—

Following our conference with you in Ottawa in connection with the broadcasting department here, we have as arranged with you notified the entire broadcasting staff, as per list sent you dated July 1st, 1935....

I cannot find that list.

....that we will not require their services after August 31, 1935. This notification to them was necessary due to the fact that we must give them one month's notice.

There is nothing further in that. This is the contract. You had nothing to do with the contract for taking over this station?—A. No.

Q. I note that the old contract said there were to be no more than a maximum number of twenty-three employees. This morning you heard some evidence regarding the fact that there were others employed who had to be paid out of programs. Was that contract the cause of that?—A. There were a certain number of employees taken over by order in council.

Q. But this is previous to that?—A. Previous to that?

Q. Yes.—A. There were a few additions made to the staff there by the commission.

Q. Oh, the twenty-three?—A. Yes.

Q. On September 18 there is a letter to Mr. Maxted from yourself setting out the employees who were then appointed by order in council No. 2868, but the other order in council is not here?—A. I could get that for you.

Q. Apparently this is all the correspondence your commission has regarding the whole matter?—A. The correspondence should be there. We could have it checked by the filing department.

Q. I have read it, and this letter of September 18 is all the correspondence. There must have been telephone calls or telegraph communications?—A. The whole matter of taking over the personnel from the Canadian National Carbon Company was handled by Colonel Steel. I had nothing to do with it.

Q. I note that you do some travelling in connection with your official duties. Could you explain why during the last fiscal year while you had one trip to Toronto to inquire into the Performing Rights matter, no doubt representing the Radio Commission, and another trip to New York on official business, as appears by the vouchers, all the other trips, nine in all, were to Montreal and Quebec?—A. And two trips to Chicoutimi.

Q. Yes. Explain why you went there instead of to other places?—A. I think if you had taken the accounts a little previously you would have seen that in the month previous I had been to Toronto, and in the last month afterwards I had been to Toronto and Windsor.

Q. Do you mean the year previously?—A. No, the month previous to the accounts you have.

Q. This is for the last fiscal year?—A. Yes, but if you take the accounts for the month of March, 1935, you will see I was in Toronto. As you know, the commission has changed its vice-chairman a couple of times in that period, and when there was no vice-chairman I was specially requested by the chairman to maintain supervision over the affairs of the commission in the province of Quebec, and that is why at that time I made two or three trips to Quebec. I was also delegated to Quebec on the arrival of His Excellency the Governor General, and that would account for most of those trips. As to the remaining trips, I was in Chicoutimi and naturally had to go through Montreal and Quebec.

Q. I note some correspondence from the comptroller of the treasury. You have a pass, no doubt?—A. Yes.

Q. I see where you charge \$18.70 for an allowance for automobile transportation?—A. Yes.

Q. Which apparently was not paid?—A. I paid it out of my own pocket. The charge was not made, as a matter of fact.

Q. It was put on the account but deleted by the comptroller of the treasury?—A. At that time I motored down to Quebec, and there is a regulation of the commission providing for automobile mileage.

Q. I note also 14 taxis in three days in Quebec?—A. Yes. I had no car in Quebec at my disposal so I had to use taxis.

Q. Why use an automobile and charge it up when you have a pass?—A. It happened that I was going down—I forget the specific instance—and the amount was put in there on account of the regulation of the radio commission providing for automobile mileage, and when the amount was questioned by the treasury I simply deleted it. In fact, the radio commission did not pay anything for that item.

Q. The fact remains that it was put in the account and okeyed by the chairman. His signature appears here?—A. Yes.

Q. It would have been paid if it had not been for the comptroller of the treasury? I took it from what you said a few moments ago that you have the signing power?—A. I do not sign my own accounts. I think it is a bad principle to give one's self authority for expenditures.

[Lieut.-Col. R. P. Landry.]

Q. Here is what the comptroller of the treasury says:—

45314

DEPARTMENT OF FINANCE

OTTAWA, November 13, 1935.

Dear Mr. CHARLESWORTH,—In the ordinary routine, the travelling expense account of the Secretary of the Radio Broadcasting Commission, for a trip to Montreal and Quebec on October 25th, has come before me, due to the fact that he is being allowed \$18.70 for automobile transportation and, in addition, numerous taxi charges while in Quebec city.

For your information, a case akin to this arose at the Royal Winter Fair in Toronto a year ago, and I challenged the account. The department concerned re-examined it and took the advice of their minister, and I think also asked for Treasury Board's opinion. Of the latter I am not certain. In any event, it was ruled that when a person was granted the right to travel by automobile to points where good railway services are available, no taxi charges may be allowed in addition.

In this particular case, on reference to the lists provided to this office by the Board of Railway Commissions, I observe that the Secretary of the Radio Broadcasting Commission has an annual pass. Under the circumstances, therefore, I am obliged to delete either the \$18.70 for transportation allowance or all the taxi charges, but before doing so would like to have some explanation on which to found an equitable decision. Then if the action taken by the office is not satisfactory to you, you, of course, could apply for an overruling by the Treasury Board.

Yours Sincerely,

(Sgd.) WATSON SELLAR,
Comptroller of the Treasury.

HECTOR CHARLESWORTH, Esq.,
Chairman, Canadian Radio Broadcasting Commission,
Ottawa.

Then Mr. Sellar's last letter reads as follows:—

DEPARTMENT OF FINANCE

45970

OTTAWA, November 19, 1935.

Dear Mr. Charlesworth,—I have your letter of the 14th November regarding the recent trip of the Secretary of the Commission. Under the circumstances, I am deleting the mileage from Ottawa to Quebec and return. In doing so, please understand that I am not criticizing the journey in any way; I am merely carrying out the policy as I understand it.

Yours sincerely,

(Sgd.) WATSON SELLAR,
Comptroller of the Treasury.

Hector CHARLESWORTH, Esq.,
Chairman,
Canadian Radio Broadcasting Commission,
Ottawa.

A. That was the first time that this question was brought up.

Q. You were the first offender?—A. I suppose I was.

Q. I notice also that Mr. Buchanan was in the same fix?—A. I think the same applies to boat trips. If one takes the boat from Montreal to Quebec the expenditure will not be allowed under the same principle.

Mr. BERTRAND: It is more agreeable to travel by boat from Montreal to Quebec at night.

By Mr. Dupuis:

Q. You were talking of irregularities. On what date approximately did these irregularities come to your knowledge?—A. I could not give you the exact date. They were reported to me at once.

Q. And who was in charge of the finances after Mr. Shaver?—A. I think the supervision of the commission's finances in 1933 and 1934 was under Colonel Steel, and then it was turned over to the commission, and since last November I have had charge of the finances under the commission.

The CHAIRMAN: In order to facilitate your questioning, Mr. Dupuis, let me put this on the record:—

From February 13, 1933, to March 1, 1934, Colonel Steel assumed administrative duties including the supervision of personnel, filing department, and supervision of the finance and expenditures of the Commission. He had retained the services of Mr. G. M. Shaver, at the same time representative of the Treasury to the Radio Commission, to act as executive assistant in an administrative capacity.

On March 1, 1934, Colonel Steel relinquished certain administrative duties which were turned over to me. These included the administrative control over the personnel and the administration of the filing department. It excluded the custody of all contracts as well as certain papers and documents pertaining to operations, which still remain under the custody of Colonel Steel. It also excluded the supervision and administration of the financial department which was left with Colonel Steel assisted by Mr. Shaver who acted in the capacity of executive assistant. On November 27, 1934, the administration of finance was turned over to the Commission by Colonel Steel. Mr. Shaver continued to act as executive assistant until about February 15, 1935.

Mr. DUPUIS: Then I understand that Colonel Landry took charge after that. Am I right? Is that clear?

WITNESS: Under the commission.

Mr. DUPUIS: November, 1935. Am I right?

The CHAIRMAN: That Colonel Landry took charge under the direction of the commission?

By Mr. Dupuis:

Q. Am I right that you took charge of the finances in November, 1935?—A. November, 1935.

Q. After October 14?—A. It would be.

Q. How then could you explain the approval of that account of the commission? These things were in the hands of somebody else than the secretary?—A. Well, the approval of accounts is vested in the commission.

Q. That is what I thought?—A. And the commission in turn can delegate the approval of the accounts to any of its officers.

Q. It could designate its power?—A. I believe it has the right yes.

Q. As I said a moment ago, I do not want to be too hard on you, but I believe that is no answer.—A. Well, according to the Auditor-General, it has the power.

[Lieut.-Col. R. P. Landry.]

Q. It has the power?—A. Yes.

Q. Did you make any report about these things?—A. Yes.

Q. Have you got that report with you?—A. I have several reports, memorandums. Some of them were reported to the commission; others were reports to members of the commission.

Q. Did you make any suggestions to the commission as to the effectiveness of the system?—A. Yes, I did.

Q. What report did you make? Was it based on any law or any advice?—A. The reports I made were based on the existing regulations, government regulations.

Q. I am insisting on that because you seem to be mild as to your convictions. If you have got anything based on either the law or the advice of the Department of Justice, I would like to hear it.—A. I made a report by memorandum at the request of the vice-chairman, in 1934, explaining or outlining the whole situation in respect of the finances; and that memorandum was also given to the chairman.

Q. Have you got that report with you?—A. Yes, I have.

Q. When was that?—A. That was December 4, 1934.

Q. Have you got anything based on the law in that report, and could you mention that? Could you give any references?—A. I do not exactly understand what you mean.

Q. Have you got anything based on the statement or opinion of the Department of Justice, to base your report on?—A. As to the administration of finance?

Q. The recommendations?—A. Well, I based it on government regulations and the Auditor-General's regulations.

Q. What were those regulations?—A. Well, they are sections 30 and 31; and also some correspondence between the Auditor-General and the commission.

Q. Is it a long memorandum?—A. It has five and a half pages.

MR. DUPUIS: I think it is in the interest of the committee that this memorandum be filed or be read into the minutes of the deliberations because of these irregularities that were shown by the witness.

THE CHAIRMAN: If you wish to avail yourself of the contents of the report, I think Colonel Landry will hand it to you. I do not know what we are going to get by having the report read into the proceedings. It is there, and you can look at it. Would that be satisfactory?

MR. DUPUIS: It is not for me. I am not the one who will make the report of the committee when we are through.

THE CHAIRMAN: You are going to make your contribution to the report.

MR. DUPUIS: I submit that this report should be read before the committee.

THE CHAIRMAN: You wish the report read into the proceedings?

MR. DUPUIS: Yes, because I want to know what there is in it. I think it should be at the disposal of the committee.

By the Chairman:

Q. Who is the report from, and to whom?—A. It is from myself to the chairman and to the vice-chairman.

MR. CAMPBELL: Could it not be put in?

MR. MARTIN: That is not what Mr. Dupuis wants. That is a report from you to somebody else.

MR. DUPUIS: To the chairman.

MR. MARTIN: He has asked what your authority is for doing such and such, and you have told him the regulations of the Comptroller General, the Treasury Board.

WITNESS: He asked me whether I had made a report.

Mr. MARTIN: That is not what it is at all.

WITNESS: I understood that Mr. Dupuis asked me whether I had made any report or suggestion to the commission.

Mr. DUPUIS: Recommendations to the commission. That is what I want.

Mr. MARTIN: I understood Mr. Dupuis to ask you about your authority. You did certain things and signed certain documents. He wanted to know what your authority was, and you told him that your authority was the regulations of the treasury department.

WITNESS: No. The authority for signing documents is from the commission itself.

Mr. MARTIN: Yes. You are now reading a report from yourself, which is hardly authority. He wants the authority for the action that you took.

Mr. DUPUIS: I was asking about the recommendation; if he bases himself on some opinion of the Department of Justice or the Civil Service. If so, I want to know what the secretary of the radio commission recommended just to ameliorate the system of the commission. I think it is very important that he read this recommendation.

The CHAIRMAN: Could we have a brief explanation, a brief resumé of that from Colonel Landry?

WITNESS: It is very well condensed as it is. It is just a question of fact.

The CHAIRMAN: Is it the wish of the committee that it should be read into the record?

Mr. RYAN: How long a report is it?

WITNESS: Five pages.

Mr. MASSEY: Can it not be filed as an exhibit?

The CHAIRMAN: We will put it in as an exhibit.

Mr. MCINTOSH: Why could you not print it? Five pages does not mean much anyway, in printing.

The CHAIRMAN: Go ahead and read the report.

Mr. CAMPBELL: You do not have to read it to print it.

Mr. MCINTOSH: Not necessarily.

The CHAIRMAN: Go ahead and read it.

WITNESS: It reads as follows:—

OTTAWA, December 4, 1934.

CANADIAN RADIO BROADCASTING COMMISSION

Memorandum Concerning System of Accounting.

On July 10, 1933, the following memorandum was circulated to the staff of the Canadian Radio Broadcasting Commission.

By Mr. Dupuis:

Q. Was that sent to the chairman?—A. That was given to Mr. Cartier who was then vice-chairman, and also to Mr. Charlesworth. Continuing the memorandum:—

Arrangements have been made for Mr. G. M. Shaver, formerly with the branch of the Comptroller of the Treasury in the National Research Council, to act for the broadcasting commission in the capacity of executive assistant.

In this capacity Mr. Shaver will be in charge under Colonel Steel, of the administrative department. This will include accounting, purchasing and filing branches.

[Lieut.-Col. R. P. Landry.]

During Colonel Steel's absence, Mr. Shaver will occupy room 3042 and will be directly responsible for matters of accounting and finance in addition to his other duties.

(Signed) W. ARTHUR STEEL,
for

CANADIAN RADIO BROADCASTING COMMISSION.

Mr. Shaver's official position is Representative of the Treasury, Department of Finance, and he is responsible, under the Comptroller of the Treasury, for accounting for departments in the National Research Building. It should be stated that following assent to the Consolidated Revenue and Audit Act, 1931, on August 3, 1931, the accounting branches of all dominion government departments were transferred to and consolidated under the office of the Comptroller of the Treasury, Department of Finance, as provided in section 36 of the act and each local representative was designated "Representative of the Treasury."

Although the appointment of an executive assistant was not approved by the treasury board, Mr. Shaver has continued to act for the Canadian Radio Broadcasting Commission in an administrative capacity under the third Commissioner on matters of accounting and purchasing. The principle of this dual responsibility is open to question. Should Mr. Shaver, as representative of the Treasury and an employee of the Department of Finance accept instructions from Mr. Shaver acting for the Canadian Radio Broadcasting Commission?

Section 31 of the Consolidated Revenue and Audit Act, 1931, provides that:—

No provision of this Act shall be construed to limit the responsibility of ministers, deputy ministers, departmental officers or other persons charged with the administration of grants of Parliament.

It would appear accordingly that the Commissioners of the Canadian Radio Broadcasting Commission and officers of the commission designated by them, and the Minister of Marine, have a definite responsibility in administering the grant by Parliament to the commission. The propriety and principle of vesting administrative authority connected therewith in an official other than an employee of the commission is questionable.

Disapproval of this arrangement was stated by the Auditor General in the following letter dated October 14, 1933:—

DEAR SIR:

Re Certification of Vouchers

In examining the expenditure of the Radio Broadcasting Commission for the fiscal year charged to Vote 247, I find that the certificates on the vouchers are signed by the Representative of the Treasury for your commission.

Under section 30 of the Consolidated Revenue and Audit Act the certificate therein specified should be signed by the commissioners or an officer of the commission authorized by them to sign on their behalf.

Please let me know the name or names of the officials who are authorized to give the required certificates.

Yours truly,

(Signed) GEO. GONTHIER,
Auditor General.

The Secretary,
Radio Broadcasting Commission,
Ottawa.

The Chairman of the Commission wrote to the Auditor General on January 30, 1934, as follows:—

This is to advise you that, for the purposes of section 30 of the Consolidated Revenue and Audit Act, George M. Shaver is an officer of the Canadian Radio Broadcasting Commission.

In explanation as Chapter 35, of the Statutes of 1932-33 expires on April 30, 1934, it has been necessary that an officer be secured with adequate experience to pass on the various commitments of this commission, and, as a measure of economy, during the period of organizing, it has been arranged with the Comptroller of the Treasury and the Civil Service Commission that the Canadian Radio Broadcasting Commission should share with the Comptroller of the Treasury the services of Mr. Shaver. The arrangement covers the period to April 30.

Q. Just a minute, at that point. It was only under the control of Mr. Shaver. I understand that the situation was that the commission did not control at all?—A. It appears that Mr. Shaver was signing authority for payment on behalf of the commission.

Q. But with no other control than that?—A. No.

Q. All right.—A. Continuing: On February 12, 1934, the Auditor General, replied:—

DEAR SIR,

Re Certification of Vouchers

I am in receipt of your letter of the 30th ult. advising that for the purposes of Section 30 of the Consolidated Revenue and Audit Act, Mr. Shaver is an officer of the Canadian Radio Broadcasting Commission.

Under an Order in Council of July 30, 1932, (P.C. 14/1724) passed under the authority of Section 36 of the Consolidated Revenue and Audit Act, Mr. Shaver was transferred to the Department of Finance. He is therefore not an employee of your commission and for that reason his certificate on the vouchers covering the revenue or expenditure does not meet the requirements of Sections 30 and 31 of the Audit Act. In support of that view I enclose an opinion from the Deputy Minister of Justice.

Under the Act creating the radio commission certain officers were appointed to administer that act. These officers are responsible for all the activities of the commission including the authorization of all expenditures as well as the collection of the revenue and they are the only ones competent to give the certificates called for by the Audit Act. The certificate of an official of another department whose duties are limited to the accounting service may be satisfactory from an accounting point of view but it cannot cover all that is essential from the standpoint of departmental responsibility. I fully appreciate your difficulties but I think you will see there is a principle involved, which should be observed in the case of all departments and commissions.

By the Chairman:

Q. Just at that point, the Auditor General does not approve of a man acting in a dual capacity. That is the sense of that letter?—A. I would take it so.

Q. It was a violation of the Audit Act?—A. Yes.

By Mr. Dupuis:

Q. Did you read also the opinion of the Deputy Minister of Justice?—A. No.

[Lieut.-Col. R. P. Landry.]

Q. Or if it is quoted there?—A. I have it in this book, I think. Continuing:
There is no objection to Mr. Shaver—

Q. Are you reading from the report or something else?—A. No. It is the letter of Mr. Gonthier.

Q. Oh, yes. Go ahead.—A. Continuing:—

There is no objection to Mr. Shaver signing the vouchers as the accounting officer but they should also be approved by some member of the commission or one of its officers who may be authorized for that duty.

Yours truly,

(Sgd.) GEO. GONTHIER,
Auditor General.

Mr. H. CHARLESWORTH, Chairman,
Canadian Radio Broadcasting Commission,
Ottawa.

By Mr. Campbell:

Q. That condition has been changed since?—A. Yes, that condition has been changed. Continuing:—

The opinion of the Auditor General serves to substantiate that the principle of delegating administrative authority, in so far as accounts and expenditures of the Canadian Radio Broadcasting Commission are concerned, to an employee not on the staff of the Commission is wrong.

Up to the present the actual work involved in handling accounts of the commission, before submission to the Representative of the Treasury for payment, has been performed by a small staff employed by the commission who have taken instructions from Colonel Steel and Mr. Shaver.

The accounts have been received, checked, and a system of accounting records maintained by this staff. In general, the accounts have been passed to the Representative of the Treasury for payment with the approval of program or other officials concerned, and were not certified or recommended for payment before payment, the usual practice being to return vouchers from the office of the Representative of the Treasury to be certified in an administrative capacity on behalf of the commission before they were submitted to the Auditor General's Department. It may be observed that there seems little purpose in signing such vouchers after they have been paid except to appear to have complied with the Audit Act.

Section 27, Part 3, of the Consolidated Revenue and Audit Act, 1931, provides that:—

Every application of a department or office of the public service for an issue of public moneys out of the Consolidated Revenue Fund to defray the expenses of services coming under its control shall be in such form, accompanied by such documents and certified in such manner as the Comptroller may require.

Section 30 provides further that:—

No payment authorized by Parliament shall be made in respect of work performed or material supplied whether under contract or not, in connection with any part of the public service of Canada, unless, in addition to any voucher or certificate which is required in that behalf, the deputy minister or other officer charged with the administration of the particular service certifies that such work has been performed, or such materials supplied, as the case may be, and that the price charged is according to contract, or if not covered is fair and just.

Consideration should be given to determining whether these two provisions of the Consolidated Revenue and Audit Act have been complied with by the Canadian Radio Broadcasting Commission. The importance of this is obvious in that it is imperative to comply with the provisions of this Act in order to dispel any suspicion of misappropriation of funds.

Recommendations

The Canadian Radio Broadcasting Commission being subject to the Consolidated Revenue and Audit Act, 1931, the financial arrangements should be handled in accordance with the provisions of this Act. Attention is drawn to Section 36 of the Act:—

The Minister may designate such accounting officers or other clerks or employees in any department or branch of the public service as he may deem necessary for the carrying out of the provisions of this Act, and such officers, clerks or employees shall be under the direction and control of the Comptroller and the Governor in Council may transfer any of the said officers, clerks or employees to the Department of Finance.

It is recommended, therefore:—

(1) That a Representative of the Treasury, Department of Finance, act in the capacity of Accountant and Treasurer for the Canadian Radio Broadcasting Commission, and that his duties and responsibilities be restricted to those assigned by the Comptroller of the Treasury in accordance with the provisions of the Consolidated Revenue and Audit Act.

(2) That the Representative of the Treasury be held responsible for the maintenance of all accounting and finance records for the Canadian Radio Broadcasting, but the Radio Commission to retain a small staff for the purpose of checking accounts before they are authorized by the Commission for payment.

(3) That no accounts, or vouchers, shall be accepted for payment by the Representative of the Treasury, and no advances made, unless such accounts, vouchers, or advances have been authorized and recommended by the Commission, in accordance with the provisions of sections 27 and 30 of the Consolidated Revenue and Audit Act

(4) That for the purposes of Section 30 of the Consolidated Revenue and Audit Act, the Secretary of the Commission and his chief assistant should be designated by the Commission as duly authorized to recommend, in an administrative capacity, the payment of accounts

It is to be noted that responsibility for the proper expenditure of funds is an executive function and as the chief administrative officer of the Commission, the Secretary is the proper official to have administrative responsibility, under the direction of the Commission, insofar as accounting is concerned

The Representative of the Treasury should be responsible for all accounting and disbursements, but executive responsibility in authorizing payments and disbursements rests in the Commission and the administrative officers of the Commission who may be authorized to perform any duty connected therewith.

These recommendations are submitted as suitable measures to regularize the present system of handling accounts for the Commission.

OTTAWA, December 4, 1934.

By Mr. Dupuis:

Q. Colonel Landry, when you became in charge of the finances at the meeting of November, 1935, what was the financial situation of your commission? (No response).

[Lieut.-Col. R. P. Landry.]

By Mr. Campbell:

Q. When was Mr. Shaver's dual capacity done away with?—A. I think Mr. Shaver was with the radio commission until the spring of 1935.

By Mr. McIntosh:

Q. Could you not give us a picture in complete form of this question of finances from the first, in a few words?—A. I do not know exactly what point you want me to touch upon.

By Mr. Bertrand:

Q. Generally how was it administered from the financial point of view from the start until to-day?—A. (No response.)

By Mr. McIntosh:

Q. We have heard a lot of talk about the fluctuating jurisdiction with regard to finances. Why cannot you give us a brief picture of the whole situation?—A. I cannot talk on matters over which I had no control. I was not connected with the supervision of finances until last fall.

Q. Then you cannot give us any information outside of that?—A. Not outside of what I have given to you.

By Mr. Dupuis:

Q. Colonel Landry, I asked you what was the financial situation when you took charge of finances on November last. Was there a surplus or a deficit?—A. Well, for the last fiscal year 1935-1936 the commission showed a deficit of approximately \$57,000—I beg your pardon, I mean 1934-1935. At the time I was requested to supervise the expenditures and maintain general supervision over finances I received a report from our accountant, and it seemed to me that our commission would have been over-expended if we went on at the rate of expenditure up to that time, and I made certain recommendations to the commission with a view to curtailing expenditures and those recommendations were carried out with the result that our financial report shows a balanced budget with a surplus of \$40,000 this year after having absorbed the \$57,000 deficit of last year.

Q. You cut the expenses in what branch of activity?—A. The main cut was in the program budget.

Q. Does that mean payment to artists?—A. Yes.

Q. You stopped paying fictitious artists?—A. We had to do so. It was imperative that the budget be balanced. The larger payments of the commission are fixed charges including lines, networks, salaries, and so on, so that the largest curtailment had to be made on programs.

By Mr. Massey:

Q. Colonel Landry, Mr. Dupuis asked you if you had stopped paying fictitious artists and you said: "We had to do so." The word "fictitious" was included in his question. I think you meant to state that the cut was made in the program department?—A. Oh, yes.

Q. Mr. Dupuis asked you if you stopped paying fictitious artists and you said "We had to do so"?—A. Oh.

By Mr. Campbell:

Q. You heard me ask Mr. Shaver some questions this morning regarding that transfer or proposed transfer of \$4,000 from one account to another. Could you throw any light on that?—A. Have you the detail of that?

Q. The file has been taken out by the shorthand reporter.—A. What vote?

Q. From the Western Ontario Broadcasting Company's contract. Request was made to transfer \$4,000 to the contingencies account?—A. I believe Colonel Steel could explain that better than I can.

Q. I asked you because you said you were in charge of finance?—A. The question was brought up at the commission's meeting and there were charges made by some of the Radio Commission's officials to the effect that a certain state of affairs at Windsor—

Q. No, no. That is not what I am asking you. Apparently \$4,000 was left there, and you wished to place that in the contingencies account. Why did you wish to do that?—A. We figured out that there had been too heavy commitments made on that vote, and the only way of securing that money back for commission expenditures was to transfer it over to contingencies or in any event to get authority to transfer it back; otherwise it would have been returned to the revenue at the end of the year.

Q. And that is what happened?—A. Yes; we did not get it.

Q. The comptroller of the treasury would not let you do that?—A. No.

Q. Was it because the contingencies account was over-expended?—A. No. The contingencies account was an account provided to pay odds and ends for copyrights, legal fees, and so on.

By Mr. Bertrand:

Q. When Colonel Steel testified we surmised that he had charge of the technical affairs of the Radio Commission, but all the witnesses who have appeared before us from the commission refer to Colonel Steel as knowing better than they what was done. As a matter of fact, what did Colonel Steel do generally?—A. Of course, when the commission was organized it must be understood that the staff was very restricted indeed, and the commission decided to divide amongst themselves the work entailed in organizing the various departments.

By Mr. Dupuis:

Q. That is hearsay, is it not? When the commission was organized you were not in its employ?—A. I was here in February, 1933.

By Mr. Martin:

Q. Who was the public relations man for the commission?—A. Mr. Buchanan.

By Mr. Campbell:

Q. What are his duties?—A. He attends to publicity and public relations.

By Mr. McIntosh:

Q. First, what do you mean by attending to publicity?—A. Well, I suppose it is his duty to keep the press advised as to the commission's activities, and so on.

By Mr. Martin:

Q. Is that all he does?—A. He handled all publicity in a general way.

By Mr. Campbell:

Q. He has an assistant here?—A. Yes, Mr. Wooding.

Q. And there is a supervisor of the French press in Montreal?—A. Mr. Houlé.

Q. And a district publicity agent and supervisor of the English press in Toronto?—A. Miss H. M. Ball.

Q. Are they under him?—A. Miss Ball and Mr. Wooding would be under Mr. Buchanan as to their work.

[Lieut.-Col. R. P. Landry.]

Q. What are their functions?—A. They work in connection with publicity.

Q. Of the programs that the commission are putting on?—A. Various programs or special events or anything that might be of public interest.

By Mr. Martin:

Q. Was there any discussion at all in the commission about the difficulty at Windsor to which you referred?—A. There was some discussion, yes.

Q. And is there a minute of that discussion?—A. I believe it would be in the minutes, Mr. Martin.

Q. In the minutes of the commission?—A. Yes.

The CHAIRMAN: Any further questions? If not, do you wish to hear Colonel Steel?

Mr. CAMPBELL: It is one o'clock.

Mr. MASSEY: Before Colonel Steel is called and before we adjourn may I say that I regard your conduct as chairman of this committee as immaculately fair, and that I did not intend to defend anyone when I made the remarks I did, but I thought there were some matters which were not clear to the committee and which it might be as well to make as clear as possible.

The CHAIRMAN: Before you go any further, Mr. Massey, do you not think it would be as well to hear the other members of the radio commission or the staff of the radio commission along the lines we have been proceeding this morning, and make your statement after that? Colonel Steel might be able to throw a lot of light on just the subject you want to bring up.

Mr. MASSEY: I was not not going to bring up any subject, but was going to say that during the course of the "memorial service" for Mr. Sage, and subsequently, there has been a rather insidious spectre raised concerning the agreement between the Canadian National Carbon Company and the radio commission which has, by its very nature, involved certain individuals two of whom have appeared on the witness stand in connection with the political investigation. The agreement that was reached between the Carbon Company and the Commission was the working agreement between a private enterprise and a government commission for the purpose of facilitating the operations of that commission in a certain area, Toronto. I think it is highly important that there be no misunderstanding of that arrangement in the minds of this committee in view of the fact that it involves a good many personalities.

The CHAIRMAN: You mean to infer that there is a misunderstanding, Mr. Massey?

Mr. MASSEY: I do not think the arrangement is at all clear, judging by the questions that have been asked; and also in view of the fact that some of the answers that have been given have not made the matter perfectly clear. I would suggest that I think it is entirely a matter on which Mr. Greig of the National Carbon Company, as representing that company and as party of the first or second part of the agreement, should be called to this committee, for the benefit of the members of this committee, to clear up any misunderstanding that may exist. Colonel Steel, of course, in his evidence is in a position to give the commission side of it. Mr. Greig could give the National Carbon Company side of it.

Mr. CAMPBELL: I have the contract here.

Mr. MASSEY: Yes. But there are certain things which are not in the contract, which are understood, which are the intent of the contract. I have not the advantage—or am unfortunate enough not to have the disadvantage—of being a lawyer. But sometimes a contract does not convey the full spirit of the contract when one looks only at the written word. I strongly urge that Mr. Greig be asked to present the story from the Carbon Company's side. I

attempted to bring out this morning the understanding that the Carbon Company conveyed to me as one who was employing the service of the station and some of the men engaged in that station, which was a clear cut understanding.

Mr. DUPUIS: Is he here now?

Mr. MASSEY: Mr. Greig is in Toronto. I would urge that Mr. Greig be asked to come before the committee and to give his side of the story.

Mr. CAMPBELL: If we are going into that, we will not be able to finish to-day.

The CHAIRMAN: Mr. Massey, I might say that it was well agreed by the committee yesterday that any more people who should appear before the committee should be officials connected with the radio commission. I do not think we should deviate from that, unless the committee wishes to reverse its decision.

Mr. McINTOSH: The moment you start going into outside evidence, you hardly know where you may end.

The CHAIRMAN: At the present moment I think the committee is trying to gather information as to the administration of the radio commission, Mr. Massey; and I doubt very much whether this gentleman whom you mention could throw any light on it. We have the contract before the committee between the National Carbon Company and the radio commission. The terms of that contract are there and I think we can get all the information we want without bringing in anybody else.

Mr. MASSEY: I thought it was only fair to the individuals concerned that they be allowed to present their case before the committee.

The CHAIRMAN: But Mr. Massey, the contract definitely sets out the undertaking by the National Carbon Company with the radio commission; and if we wish to go into that contract, we have all the details there.

Mr. MASSEY: I have not seen the contract.

Mr. McINTOSH: Could you not read the contract, Mr. Massey, and go into it as fully as you like?

Mr. MASSEY: Yes.

Mr. McINTOSH: And put your viewpoint in the record in regard to it.

Mr. MASSEY: Here is the position, Mr. Chairman: In 1933 and 1934 I had no connection with politics whatsoever and had no thought of having any connection with politics. I was merely in business endeavouring, successfully or otherwise, to earn a living. I wanted the services of certain artists. I applied to the Carbon Company, knowing the situation, that the Carbon Company was operating that station for the commission. I was told that it was, and that these artists were available for outside work. I employed them accordingly. That would indicate to me that there was a clear cut understanding.

The CHAIRMAN: I know. But what are you trying to clear up? Are you trying to clear your own connection on account of hiring these officials? There is nothing suspicious about it.

Mr. MASSEY: No, not in the slightest. But the word "fictitious" and that sort of thing has been used in connection with these artists. It would appear by what has been said here this morning that these gentlemen are under some sort of cloud and have been cutting corners in an attempt to earn more money. What I was going to say a few moments ago was that \$3,600 for a musical director is an absolutely low fee. Mr. Waddington's earning power is about \$15,000 or \$20,000 per year. You could never secure that man for full time for less than that.

The CHAIRMAN: I think that many employees of governments are under-paid; and I think members of parliament are under-paid.

Mr. CAMPBELL: But they are not supposed to take anything outside.

[Lieut.-Col. R. P. Landry.]

Mr. MASSEY: What I am simply trying to say is that the very nature of his fee, the very size of his fee, would indicate that he would be free to take other work; because \$3,600, while it is a substantial sum of money,—I am not minimizing that by any means—is an exceedingly low fee for a man doing that type of work, whose earning power is \$15,000 or \$20,000 per year.

The CHAIRMAN: I grant you that.

Mr. DUPUIS: I understood he had about \$8,000 from the company before the election.

Mr. MASSEY: From the Carbon Company?

Mr. DUPUIS: From the company.

Mr. MASSEY: From the commission?

The CHAIRMAN: No.

Mr. MASSEY: One has only to sit down with pencil and paper and add it up. You get my point, Mr. Chairman? I am not endeavouring to be obnoxious, and I hope I am not.

The CHAIRMAN: I think the question has been raised as to whether these employees of the radio commission were entitled to go out and earn other money.

Mr. CAMPBELL: The only point we want to know about is what happened regarding this report.

The CHAIRMAN: Yes.

Mr. CAMPBELL: It became commission property then.

The CHAIRMAN: There is a memorandum in the minutes of this meeting presented by Mr. Mortimer, an employee of the radio commission, submitted to the commission by Mr. Cartier who was then vice-chairman, which outlines that Mr. Waddington was receiving a salary of \$3,600 from the radio commission and at the same time was getting these fees; and other employees of the radio commission were drawing fees for programs while they were employees of the radio commission.

That is the memorandum that Mr. Mortimer presented to the commission.

Mr. MASSEY: What I am trying to state is what the understanding was. Probably Colonel Steel will be able to clear up the matter.

The CHAIRMAN: Gentleman, will you be kind enough to come back this afternoon at 3.30?

Mr. MASSEY: Mr. Chairman, there is a vitally important debate going forward in the house in which I am sure all members of this committee are definitely interested. We missed that yesterday afternoon. We heard it last night. It is going forward again this afternoon. I think it strikes at the very basic foundations of this country. I am personally most definitely interested in it, and I am quite sure that other members of the committee feel the same way.

Mr. CAMPBELL: I think we are all interested. But in view of the request that was made earlier in the week, I feel we should try to clear up our work.

The CHAIRMAN: I certainly would like to close this committee this afternoon, Mr. Massey. The best speeches on that resolution have been heard.

Mr. MASSEY: Mr. Bennett is still speaking.

The CHAIRMAN: The best part of his speech is on record now.

Mr. MASSEY: He gets better as he goes along.

The CHAIRMAN: I think we will meet at 3.30.

Mr. CAMPBELL: Could you make it 4 o'clock?

The CHAIRMAN: All right, we will make it 4 o'clock; and we will try to complete our work this afternoon.

The committee adjourned at 1.10 p.m. to meet again at 4 p.m.

AFTERNOON SESSION

The Committee resumed at 4 o'clock p.m.

The CHAIRMAN: Gentlemen, please come to order.

I think it was intimated at one o'clock that Colonel Steel would come to the stand this afternoon.

Lieut.-Col. W. A. STEEL resumed the stand.

The CHAIRMAN: Colonel Steel has asked permission to make a brief statement before he is questioned. Is it the pleasure of the committee that he should do so? (Carried).

WITNESS: In view of Mr. Bertrand's request I am quite prepared to go into the question of the wire lines now and defer my statement until later.

By Mr. Campbell:

Q. And you will make your statement afterwards?—A. Yes, if by doing so I can assist Mr. Bertrand.

The CHAIRMAN: If Colonel Steel could make his statement first it might clear up some matters.

Mr. CAMPBELL: If it is a very short statement that would be satisfactory.

WITNESS: Mr. Chairman and gentlemen: There have been a number of statements, direct and indirect, during the questioning of certain of the commission witnesses which render my position with the commission somewhat indefinite, and I thought it might be advisable to clarify my position before I proceed to answer the questions which you may ask me this afternoon.

By Mr. Campbell:

Q. Are these remarks directed to the many statements by other commission officials to the effect that you were the one who would be able to answer the questions put?—A. My remarks are in explanation of why such statements were made. When I was appointed to the radio commission in the first place I was named as the technical member of the commission. I was the only one of the three commissioners and the secretary who had had any government department experience previous to the appointment of the commission. Naturally I did what I could to expedite matters. Then as the work of the commission got under way I relinquished several of my duties to the secretary, and also to other members of the commission, and concentrated my efforts entirely on the development of the technical work. Now, I think the committee will appreciate that the technical activities of the commission constituted a considerable part of the responsibility that was placed upon the commission by the Radio Act of 1932.

I think, gentlemen, that that statement will explain shortly and concisely the reason why certain witnesses here have found it necessary to refer to me from time to time in connection with certain activities with regard to which they were not prepared to answer questions definitely.

That is the statement I desired to make, Mr. Chairman.

By Mr. Bertrand:

Q. Please refer to the wire contracts. I understand that the first contract was made in 1933 between the two telegraph companies and the commission?—A. That is correct.

Q. Is it not true that the telephone companies made a bid at that time for that contract?—A. Yes.

[Lieut.-Col. W. A. Steel.]

Q. They did?—A. Yes.

By Mr. Campbell:

Q. By the word "bid" what do you mean?—A. Perhaps it might be just as well to refer to the actual correspondence. I have here three letters from the Bell Telephone Company speaking on behalf of the Trans-Canada system. These letters are dated January 11, January 17 and January 25, 1933. In each one of those letters the terms are forwarded to us with words as follows:

MONTREAL, January 11, 1933.

On the basis of the rate schedule now developed, we have pleasure in furnishing the following quotations for the various networks outlined in your letter.

That letter is signed by Mr. P. A. McFarlane, Chairman, Trans-Canada Telephone System.

MONTREAL, January 17, 1933.

Dear Mr. WEIR,—Replying to your letter of the 12th instant.

The quotations furnished with our letter of January 12th included the cost of a telegraph circuit connecting various stations on the network.

Other details are given. That letter also is signed by Mr. P. A. McFarlane, Chairman, and was written on the Trans-Canada Telephone System letter paper.

MONTREAL, January 25, 1933.

Dear Mr. WEIR,—This is in reply to your letter of January 17th, requesting the additional cost of adding certain points to the quotations furnished in my letter of January 11.

On the basis of the same number of daily hours service as quoted in the main estimates, the quotations are as follows:

That letter is signed by Mr. P. A. McFarlane, Chairman, and was written on the letter paper of the Trans-Canada Telephone System.

Now, I think we have a perfect right, in view of those three cases, to assume that what we were getting were actual quotations, and that is the way they were treated.

By Mr. Campbell:

Q. Is that a similar way to the way in which the telegraph companies quoted?—A. Yes.

By Mr. McIntosh:

Q. Were sealed tenders asked to be delivered at a certain time at a certain point to be opened at a certain hour?—A. That practice was not followed in connection with this particular work.

Q. I think that practice should have been followed? That is where much of your trouble has taken place. (No response.)

By Mr. Bertrand:

Q. In this case you found out it was more convenient for the radio commission to split the contract with the wire companies. Was there a difference in price in favour of the wire companies?—A. The difference was not so much in price as it was in the service that the wire line companies, the two telegraph companies, were prepared to give us.

Q. There were only two companies acting jointly, while there were six or seven telephone companies?—A. As I said in my original evidence before the 1934 committee, which I do not need to repeat here, I came into the question of the wire line contract rather late in March, 1933, for certain reasons which need not be repeated at the present time. I went very carefully into all the quotations which had been received by the commission up to that time.

By Mr. Campbell:

Q. Those matters were discussed. What were the reasons? Your evidence in 1934 left the impression that it seemed to be bad business to have the two companies working against one another?—A. Perhaps I do not understand your question, sir?

Q. You remember the evidence read here the other day?—A. As I understood it, the evidence read here the other day would have led me to believe that when I came into this picture late in March, 1933, I found very little progress was being made by the members of the commission staff who were then following up the question of a wire line contract.

Q. No. It is stated that you took it out of Mr. Weir's hands?—A. Because no progress had been made.

Q. Because he had been setting one company against the other?—A. That was one of the reasons why it was taken out of his hands, and the other reason was that no progress was being made.

Q. Was not he trying to get a better price?—A. Perhaps that was his object in the long run. I cannot speak for Mr. Weir, but I can speak as to the impression his work created in my mind and in the minds of the other commissioners.

Q. It was not satisfactory to you?—A. No.

By the Chairman:

Q. You said in one letter that Mr. Weir had set one company against the other?—A. That was exactly the effect that was taking place, and that is one reason I took it over myself. The other reason was that no progress was being made, and we needed a network at the earliest possible moment.

By Mr. Campbell:

Q. Setting one company against the other would not be bad business?—A. Not if it was done in the right way.

Q. What do you mean by the "right way"?—A. I would rather not follow that up.

Q. I asked you if you treated the telephone companies in the same way that you treated the telegraph companies?—A. I have here all the correspondence, which I shall be only too pleased to file.

By the Chairman:

Q. I do not see how you can say that you took charge of that matter for reasons which need not be mentioned here. You must have had some reasons, and indeed in some of your letters you intimated reasons, among them being that Mr. Weir was setting one company against another?—A. That was one reason. I found there was bad feeling between the various companies due to the manner in which Mr. Weir was carrying out his investigations.

By Mr. Bertrand:

Q. I understand that the prairie companies made an offer to the radio commission some time in August, 1935, for part of the network, the prairie part of it?—A. In August, 1935?

[Lieut.-Col. W. A. Steel.]

Q. Around that date?—A. I do not think so, sir.

Mr. CAMPBELL: February, 1933.

WITNESS: I have here the file of correspondence between the radio commission and the Manitoba Telephone System speaking for the three western provinces, and these quotations were all made in the early part of 1933. The final quotation is dated February 17, 1933. It is signed by Mr. J. E. Lowry, Commissioner, and a further one signed by all three of the heads of the western provinces: Manitoba, Saskatchewan and Alberta, dated February 2. They are essentially the same.

By Mr. Campbell:

Q. Did you make any offer or suggestion to them?—A. We wrote to them in the first place; I did not do it, but the radio commission did.

Q. But after those quotations were in?—A. No; I do not believe so.

Q. You let the matter rest there?—A. I do not believe there was any letter written directly to them asking them to change their quotation in any way.

Q. I mean as a matter of negotiation? (No response.)

By Mr. Bertrand:

Q. Do you know the reason why the Bell Telephone Company did not co-operate with the prairie companies in 1933 to make a bid for all Canada?

Mr. CAMPBELL: They did.

WITNESS: As a matter of fact, we understood, sir, that the bid of the Trans-Canada company did include the western provinces as such.

By Mr. Bertrand:

Q. You said you had a bid from the three prairie provinces?—A. In February, 1933, for that part of the country running through Manitoba, Saskatchewan and Alberta only.

Q. Do you know why the Bell Telephone Company did not join in the bid for Ontario and Quebec?—A. We have here a quotation from the Trans-Canada in which they bid for the entire circuit across Canada, and we understood that it was an amalgamation or co-ordination between the various telephone interests in Canada whereby they were prepared to give that service across the country, and we understood that the Trans-Canada bid included service over the three western provinces insofar as their services might be available for the Trans-Canada System.

By Mr. McIntosh:

Q. What date was the total bid?—A. It is not exactly a total bid.

Q. What was the bid for telephone business across the country as far as you know?—A. The first quotation was on January 11. Then there was a letter written to them asking for further information, and there was some addition on January 17. Then we wrote again asking for further information and the final figures were given to us on January 25, as far as I know.

Q. The idea was instituted in January? (No response.)

By Mr. Bertrand:

Q. How did the last figure compare with what you were paying? I understand that in 1933 you paid \$275,000?—A. After I came into the picture in March I went into the matter very carefully and prepared a resume of all quotations made, together with a certain number of recommendations, and that resume was presented to the radio commission for their consideration. I cannot

give you the exact date because unfortunately this is not dated, but it was some time just previous to the 31st March, 1933. In this resume I summarized the quotations received from the following organizations:—

- (1) The Trans-Canada Telephone System.
- (2) The Canadian National and Canadian Pacific Telegraphs, acting as one unit.
- (3) The Manitoba Telephone System, acting for the telephone systems of all three western provinces.
- (4) The British Columbia Telephone Company.

By Mr. Campbell:

Q. Did the British Columbia Telephone Company make a bid?—A. They did, sir. Then I went on to compare the three figures, and I am prepared to file this whole document or the whole file with the committee.

Q. I think you should do so?—A. It is four pages long. What it amounts to is this, that the quotation for the Trans-Canada Telephone System amounted to \$363,500, for which they proposed to furnish four hours of wire line service after 6 p.m. local time, to be available in each region, and that the different regions should be inter-connected at various times in order to provide trans-Canada program facilities.

Q. What do you mean by "inter-connected"?—A. They proposed four subdivisions of Canada.

Q. On account of the difference in time?—A. Largely, and also on account of the wire service available. They proposed to inter-connect those four zones at certain times during the six hours—

Q. Four hours?—A. During the six hours, was their first proposal. During that time they proposed to inter-connect those zones in order to give us a service from Halifax through to Vancouver. The lowest price they quoted involved only a four-hour service, and each one of those regions would be inter-connected over a period of one hour, but only three times a week. In other words, we would only have a trans-Canada hook-up three hours per week. The rest of the service then would be regional for the four hours. Now, that four hours with inter-connected for three hours per week would have cost us \$363,500.

Q. You did not try to negotiate with them to get a better set-up?—A. No; it was pretty complete.

Q. I asked you a little while ago whether the telephone companies were treated in a similar manner to the telegraph companies?—A. Beginning in the late fall of 1932 the commission wrote to the trans-Canada and to the two wire line companies and outlined to them their requirements. The first discussions were on the basis of twelve to sixteen hours, and it soon developed that it would be impossible for us under the finances available to carry twelve to sixteen hour service. They began discussions again about the end of December, 1932, on the basis of a lower number of hours, and tried to work out a pro rata scheme, and from that latter discussion developed our final contract. In connection with that we wrote individually to the Canadian National Telegraphs, the Canadian Pacific Telegraphs and the Trans-Canada Telephone System asking them similar questions.

By Mr. Bertrand:

Q. What was the price at which the contract was arrived at with the two wire companies?—A. The railway companies proposed five regions in Canada and their service for four hours, the same four-hour period, but with these regions inter-connected for one hour each day or a total of seven hours trans-Canada per week, and quoted \$382,399.50. This was slightly more than the price quoted by

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the Trans-Canada, but it gave us four hours of trans-Continental service per week more than we would have obtained under the Trans-Canada quotation.

Then we received quotations from the Manitoba Telephone System covering in the three western provinces only for similar services, in the spring of 1933.

Then we received a separate quotation from the British Columbia Telephone System simply covering the six stations in British Columbia. That also would be for a six-hour period daily.

I summarized the whole thing in a number of comments, and if you care to have me do so I shall read them.

By the Chairman:

Q. You had better read them?—A. Very well, sir.

(1) In so far as quality of service is concerned, the various systems which have tendered will be found to be approximately the same. They are either all equipped to-day with the latest type of broadcast repeaters, or are prepared to install these repeaters in case the commission decides to place a contract with them.

It should be pointed out, however, that when considering trans-continental service, the only concern in a position to supply duplicate circuits will be the two railway telegraph companies. Both of these companies have coast to coast facilities passing to a large extent over different routes, and as the two companies are acting together, we would have available their combined resources in case of the failure of any one circuit. In their proposal they have made it quite clear that the combined facilities of the two systems will be available for the Broadcasting Commission at all times.

By the Chairman:

Q. What is the date of that letter?—A. I cannot give you the date because it was just a summary for the information of the radio commission and it is undated; but from its position in the file I know it was some time just previous to the 31st March, because on the basis of this summary and recommendations a letter was written by the chairman dated March 31.

When I went on to point out that the communication systems, in considering control facilities, make two distinct proposals, in which I do not think you are interested. It was dealt with under the head of Monitoring, simply a method of keeping track of what is taking place.

By Mr. Campbell:

Q. Either system would have done that?—A. Yes. They proposed two different systems, and I dealt with them. Then:—

(3) It is considered that in any trans-Canada system operated by the Commission stations at the following points should be connected to the chain.

Then I give the number of stations and the points that should be covered. The fourth recommendation was as follows:—

(4) It has been pointed out to the Commission verbally by the representatives of the two railways that they are not willing to connect their lines to the telephone system at various points in Canada.

By Mr. Campbell:

Q. Did you investigate why?—A. That is a matter you will have to ask them. It was a matter of policy.

In the past this has been done on one or two occasions under exceptional circumstances, and the Railways do not consider that any precedent

has been established by such action. This decision makes it extremely difficult for the Commission to deal separately with the western provinces and with British Columbia, except in so far as local distribution might be concerned.

Now, in addition to what is stated, at this time there is one other factor which I think should be brought out. During these discussions it was made quite clear to us by the representatives of the railways that it would not be possible for the Trans-Canada System to give us duplicate services because in northern Ontario—and now I am speaking of what existed in January, February and March, 1933—there was a 900-mile link of the Trans-Canada System which ran over Canadian Pacific poles, from Sudbury to Winnipeg.

Then in British Columbia there was roughly a 600-mile link also running over Canadian Pacific poles and circuits or service on these poles had been leased by Trans-Canada from the Canadian Pacific Telegraphs in order to give their trans-Canada service.

Knowing that to be the case, it would not be possible for them to give us the same duplicate services we could have obtained from the Canadian National and Canadian Pacific Telegraphs, due to the fact that two separate systems had their lines running over very widely divergent routes, and therefore they were in a position to give us a duplicate service which meant something.

By Mr. Campbell:

Q. How was the price of \$275,000 arrived at in view of the quotation of \$382,999.50?—A. As the result of considering this memorandum together with the quotations from the Trans-Canada System it appeared to the commissioners that there was not much chance of getting Trans-Canada to reduce their price. Their quotations are all here, and the principle of the quotations is very clearly laid down.

By the Chairman:

Q. That is the Trans-Canada Telephone System?—A. Yes. We came to the conclusion that there would not be very much possibility of us getting that price any lower.

Q. I beg your pardon?—A. I said, sir, that we had come to the conclusion after going over all the quotations that there was very little chance of our getting the telephone companies to materially reduce their quotations.

Q. You did not ask them?—A. I want to give my two reasons: We felt, first, after reading these quotations carefully that there was very little chance of our getting a material decrease in the Trans-Canada quotation.

Secondly, we felt it was of very much more importance to us to have duplicate services available, and for that reason we decided to try to effect a deal for some form of trans-Canada service from the two railway companies acting as a single unit. In view of these facts, following the considerations I have just mentioned a letter was written by the chairman of the radio commission to Mr. W. D. Neill, general manager of the Canadian Pacific Telegraphs, and the same letter was sent to Mr. Galloway of the Canadian National Telegraphs, asking them to meet the commission for a reconsideration of the whole proposition.

Q. But that was not done with the telephone companies?—A. As I say, we had decided, due to the availability of duplicate services, that we should do our best with the telegraph companies rather than the telephone companies.

Q. You did not try to find out whether they might consider trying to supply you with the service?—A. I knew they could not.

By Mr. Bertrand:

Q. The telegraph companies' offer was for six hours while the Trans-Canada offer was only for three hours—A. No; they both bid on exactly the [Lieut.-Col. W. A. Steel.]

same thing. Trans-Canada bid on four hours with three hours inter-connection per week, and the railway companies bid on four hours with seven hours inter-connection per week, and there was a difference of about \$15,000 between the two, which accounted for the additional four hours per week.

By Hon. Mr. Howe:

Q. You called for tenders in order to ascertain what each had to offer, and you took the offer that contained the greater service and went out and made a deal—A. Exactly.

By Mr. Martin:

Q. Were tenders called for—A. Quotations were called for and quotations were furnished.

Q. Were letters sent out asking for quotations?—A. Yes.

Mr. CAMPBELL: That was early.

Hon. Mr. HOWE: It has been brought out that he sent out letters and obtained proposals from each company and considered the proposals and called the railways' representatives down and said to them: "Let us see if we can make a deal." I do not see anything wrong about that. I think that is what any of us would have done in the same circumstances.

WITNESS: That is the proposition exactly.

By Mr. Bertrand:

Q. And the radio commission as a commission might have dealt rather with the Canadian National Telegraphs?—A. Whether or not we should have asked for sealed tenders or whether or not we acted properly in asking for quotations in the way we did is perhaps a debatable point; but the radio commission had been in existence for only a couple of months, and was the first government department ever called upon to carry out a commercial business under regulations designed solely for the control of regular government departments, and we had to confront many difficulties at the outset. We did our best to overcome those difficulties, and no doubt we made mistakes, but I believe we learned something from the mistakes we made.

Q. Could you explain the picture of how the other contract came into existence, that is the contract signed last year?

The CHAIRMAN: May I ask a question before he answers your question?

Mr. CAMPBELL: Certainly.

By the Chairman:

Q. In Mr. Major's evidence there is a letter from the chairman of the radio commission which was read into the records after the quotations of the telephone companies had been given, and I obtained the impression that there was nothing further done?—A. Would you mind giving me the date of the letter?

Q. February 17, 1933. The letter reads as follows:—

CANADIAN RADIO BROADCASTING COMMISSION,

OTTAWA, February 17, 1933.

DEAR SIR,—I have received this morning the submission on behalf of the western telephone systems, and wish to thank you for the clearness and detail in which it is presented.

The whole question of our land wire arrangements will be taken up between now and March 31, when we hope to strike an arrangement equitable to all interests concerned. While it is, of course, impossible for the Commission at the present time to give exclusive business in coverage

to the prairie telephone systems, it is the opinion of myself and also of the Prime Minister that your organizations should share in any agreement that we may in future arrive at.

With kind regards,

Sincerely,

(sgd.) HECTOR CHARLESWORTH,
Chairman.

Hon. W. J. MAJOR,
Minister of Telephones for Manitoba,
Winnipeg, Manitoba.

A. I see that that letter is actually here, but I regret that I cannot give an explanation of it; I did not write it. I do not think I can give you any further information on that.

By Mr. Martin:

Q. Surely that letter was discussed with you?—A. Not this letter.

Q. Then how could the conclusion be reached?—A. Well, this actual letter from Mr. Charlesworth to Mr. Major was not discussed with me, but the letter from Mr. Major or from Mr. Lowry, in which the wire facilities offered by the western provinces were mentioned, was certainly discussed and is taken into consideration in the résumé from which I quoted a few minutes ago. But the actual letter written by the chairman of the Radio Commission was not discussed with me, at least not so far as I remember at the moment.

By the Chairman:

Q. In other words, the chairman of the Radio Commission, after he wrote that letter, changed his mind?—A. I presume so. I presume he changed his mind because of the exposition of the situation which I gave in this memorandum which was presented before the Radio Commission a month after the letter was prepared.

Q. But it is well established that after this quotation had been given by the telephone companies of western Canada and the letter of Mr. Charlesworth, the chairman of the Radio Commission, was written, no further consideration was given to their submissions?—A. Further consideration was given to them, but I do not think any letter was written to them. I very carefully considered their propositions, and outlined in the résumé what they were prepared to give, and then went on to recommend from among the number of suggestions what I thought the Radio Commission should accept.

By Mr. Campbell:

Q. Would you file the letters?—A. I intend to file the whole of the material. I would rather not pull this file to pieces, because these letters are arranged in a certain order.

By Mr. Martin:

Q. Having in mind that three telephone systems are owned by the people of three western provinces, and having in mind the financial conditions with respect to the telephone operations in those provinces, why could not the telephone systems of those three provinces have been used and thereby received assistance?—A. Well, we felt that it would be very much easier for the Radio Commission, and also more efficient, if we were in a position to deal with one unit rather than to have to buy service in British Columbia from the local telephone people there and buy service in the western provinces from the three western provinces, and then negotiate the best way we could in Ontario, Quebec and the Maritime provinces. It was very much easier for the Radio Commission

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to deal with one unit because we had an extremely small staff and a great deal of work to do. We were looking for the simplest and most direct method of obtaining a given result.

By Mr. Campbell:

Q. If you are through with the 1933 contract I would like you to explain the picture regarding the 1935 contract?—A. As far as the 1935 contract is concerned, the situation was that as from April 1, 1933, we had a contract for four hours, with an additional half hour thrown in in the middle of the day for educational purposes, making four and a half hours all told. That contract was to run for three years from the 1st April, 1933. That contract, as you know, was signed when we got started first, with the best knowledge we had available at that time. We then began to develop our program service across Canada. Before the end of the first year we found what I imagine everybody expected we would find, namely, that the contract did not quite fulfil our requirements. Our service was growing faster than we had anticipated on April 1, 1933. The result was that we were having to buy additional wire services outside of the contract which were costing us a considerable amount of money, and if you will be good enough to refer to our annual report for 1934 you will find that by the end of that fiscal year instead of having to pay \$275,000 for wire line services the wire line services actually cost us \$300,899.01 on account of overtime which we had to pay for and extra time.

We then went on during the next fiscal year to March 31, 1935. By that time our wire services had continued to grow although the contract was still the same, and then we had to pay \$332,942.08 or pretty nearly \$60,000 over the contract price. We were still paying that contract price of \$275,000 per year, and 3.446 cents per mile hour, which was quoted not for the fulfilment of the original contract but for any overtime we might have to take. Not only that, but the service and payment for service throughout Canada had grown very considerably, and we found that the original contract was certainly not fulfilling our requirements.

The result is that we went to the wire line companies and tried to get some alteration made in the contract so that it would meet our requirements instead of having to pay these large sums for extra service. At first we simply proposed that there should be an alteration made in the contract in order to cover our additional requirements.

By Mr. Campbell:

Q. What time was that?—A. During the early part of 1935; I cannot give you the exact date. I believe we really became definitely interested in negotiating for a change in the contract some time early in March, 1935.

At any rate, Mr. Cartier, who was the vice-chairman and who had been closely connected with the wire line companies previously, decided that he would like to talk that matter over, and it was put in his hands to negotiate further with the wire line companies as to just what changes might be made in the contract.

At that time, as I say, it was our intention that there should be an alteration in the contract and not a new contract. But during the discussion between Mr. Cartier and the wire line agencies they, I believe, proposed that we should, in view of the vast difference between what we required in July, 1935, and what we thought we should require in April, 1933, scrap the old contract completely in the interests of efficiency, and write a new one which met the requirements as we saw them in July, 1935.

Q. That was the wire companies' suggestion?—A. Yes.

Q. How was the term of years arrived at?—A. The term of years, when I saw the proposal first, was three years. Then I believe that during the further

discussions just before the new contract was signed between Mr. Cartier and the wire line companies they proposed a five-year period, and Mr. Cartier agreed to that proposal, and it was later brought before the radio commission and they agreed to it. That will explain my letter which was introduced into the evidence by Colonel Ralston shortly after the signing of the contract. Mr. P. McFarlane was in my office and he asked me about this contract, of which he had heard, and he said: "Is it for three or five years?" I told him at the time I thought it was for five years but I was not absolutely positive because I knew there had been a chance at the last moment. I did not have the document in front of me at the time; it was in the possession of the vice-chairman.

Q. The time was not discussed with you?—A. No.

Q. You just agreed to it?—A. I saw no reason for not agreeing to it. I was satisfied that if Mr. Cartier thought it should be a five-year term he was as well able to decide upon the length of time the contract should run as I was. I had no reason for believing that the time was too long.

By Mr. Martin:

Q. Mr. Weir had the conduct of some of the negotiations?—A. Only up to the first part of March, 1933, and in connection with the first contract.

Q. And his policy was to set one company against the other?—A. That was the fact.

Q. And you did not agree with that policy?—A. No. I wanted to see the wire line companies work in harmony, if I could effect it.

Q. Pardon?—A. I hoped to have the wire line companies working in harmony with us if possible.

By Mr. McIntosh:

Q. But you will have to agree that the method of tendering, if I may use that word, to get national business would result necessarily in perhaps a higher figure?—A. I do not know that I am prepared to admit that, but I will go as far as to say that were we asked to do the same thing in the future I would be in favour of calling for sealed tenders.

By Mr. Campbell:

Q. Can you explain why the telephone companies were not asked to submit quotations before this contract was signed for a long term of five years? Why were they not asked to submit a proposal of some kind, or asked to meet the other proposal?—A. I am not prepared to say why Mr. Cartier did what he did. I can only repeat that our first intention was not to have a new contract, but simply to alter certain terms in the old contract in order to make it meet our new conditions. That was the radio commission's plan, and the other plan developed during Mr. Cartier's discussions with the wire line companies.

By the Chairman:

Q. The new contract was signed on the 17th July?—A. Yes.

Q. And on the 24th July the chairman of the radio commission wrote a letter to Mr. McFarlane as follows:—

Dear Mr. McFARLANE,—Yours of July 21 with regard to the application submitted by you awaited me on my desk on my return from vacation this morning.

After our legislation was dealt with just prior to prorogation, I looked into this matter and find that the contract with the wire companies made in 1933 *does not expire until March 31, 1936*. While we may be

[Lieut.-Col. W. A. Steel.]

asking the railway companies to arrange certain services not contemplated in 1933, *it was quite obvious that no contract could be entered into with the telephone companies during the present year.*

Sincerely yours,

(Sgd.) HECTOR CHARLESWORTH,
Chairman.

A. Without attempting to explain why Mr. Charlesworth wrote that letter I would like to say that during the final discussion of this contract and the completion of the contract Mr. Charlesworth was away on leave. He came back and found on his desk a letter from the telephone companies asking certain questions. Unfortunately I was not in town at the time Mr. Charlesworth came back, and therefore was not in a position to explain what had taken place and, as a matter of fact, neither was Mr. Cartier. So I can only assume that Mr. Charlesworth was not fully conversant with the facts when he wrote that letter.

Q. In the case of important contracts of that kind does not the whole commission sit?—A. This occurred in the middle of the summer, and that is always a difficult time for government departments because people are away on leave. If one does not go on leave then one does not go on leave at all. Mr. Charlesworth went away first, and I arranged to go away afterwards, and Mr. Cartier, we thought, was going to stay here; but a few days afterwards Mr. Cartier resigned and left the commission.

Q. Do you know the date he resigned?—A. About the first week in August; I do not remember the date at the moment. That, however, meant that there was nobody here in a position to turn the facts over to Mr. Charlesworth, and I am quite certain that that letter was not written in any attempt to deceive the telephone companies but was written because Mr Charlesworth had not had time to get all the facts together after his return from leave

By Mr Campbell:

Q Was any other influence brought to bear? Did the minister, for instance, advise you to sign this five-year contract?—A. To the best of my knowledge the question of signing or not signing that contract was not discussed with the minister

Q Was it submitted to the Department of Justice?—A The form of the contract was submitted to the Department of Justice to see if the terms were legal, and they approved it.

Q. Have you not had some correspondence since with the Department of Justice to the effect that apparently the contract was not well drawn?—A. Not with the Department of Justice, but there has been an exchange of letters between ourselves and the wire line companies further to amplify the terms of the contract. I believe you have one letter. For example, everybody including the Department of Justice apparently overlooked the fact that this was to be a new contract and therefore there should have been a cancellation clause inserted so far as the old contract was concerned. Apparently that point had been forgotten both by the legal departments of the railways and by the officials of the Department of Justice who looked over the contract for us. However, on the 24th July, a few days after the signing of the contract, letters were exchanged between the radio commission and the wire line companies definitely cancelling the old contract as of the 1st August. Let us get this matter clear: On July 19, 1935, a letter was written, two days after the signing of the contract, to Mr. Hutton, special representative of the Canadian National and Canadian Pacific Telegraphs in Ottawa, pointing out that we had omitted to put in a cancellation clause, and that an exchange of letters should be effected to carry that cancellation into effect.

Q. I notice some correspondence between you and one of the government departments showing that it would cause you to pay \$31,000 more at the end of the contract as the result of the way the contract was drawn up?—A. I know what you refer to. There was a mistake made in the final typing of the contract which we did not notice, in which the contract was made to terminate on the first day of September, 1940, which really made it run for five years and one month. That was purely a typing error. It should have read "August, 1940." It was called to our attention and another exchange of letters was effected correcting that error.

Q. It is fair to say that Mr. Cartier was delegated by the radio commission with a plan in mind for the adjustment of the old contract which finally developed into a five-year contract signed at the suggestion of other interests, is it not?—A. It is correct to say that Mr. Cartier was delegated with authority to arrange for an adjustment of the old contract, and that he finally came back and recommended a new contract.

Q. You do not know why he did that?—A. Except as he pointed out, that the changes required to bring about what we needed in the old contract were so great that it practically nullified the contract, and it was his opinion and also that of the railways that it would be more advisable to draft a new contract to meet the new requirements.

Q. Did you not feel at that time that the other companies should have been communicated with, in fairness to yourself and also to them?—A. I must say it did not strike me at the time. I was really looking at this as an adjustment of the old contract rather than a new contract.

By Mr. McIntosh:

Q. The commission accepted Mr. Cartier's viewpoint as the most satisfactory one at that time?—A. Yes.

By the Chairman:

Q. A few minutes ago you mentioned that the wire line companies did not wish to use the telephone services. How do you work your pooling system on the 60-40 basis? The railway companies must use the telephone lines in that 60-40 basis, must they not?—A. I believe there has been some change in that point of view. That point of view was expressed early in March, 1933, and the pooling arrangement did not come into effect until the 1st September, 1934.

Q. Who brought that arrangement into effect?—A. The radio commission was responsible for obtaining the co-operation of all wire line interests in the pooling arrangement for commercial services.

Q. Is that in effect to-day?—A. Yes; and it has worked out very very well from our point of view, and I feel from the point of view of the wire line companies as well. Of course, there may be a difference of opinion there, but certainly from our point of view it has been a very valuable arrangement.

Q. So that the telephone system has some value in a national broadcast?—A. Yes.

By Mr. Campbell:

Q. Do not you think they could cooperate on a 60-40 basis and offer a service which would be satisfactory to you?—A. Without knowing more of the proposed organization with which we would have to deal I do not think I am in a position to give you a reply which would be fair to you or me. I am not trying to dodge the issue, but I want to know first what is to be the centralizing agency and who are we to deal with in settling the thousand and one things that crop up every day.

Q. They have to settle matters among themselves in the pooling arrangement, and I suggest extending that?—A. (No response.)

[Lieut.-Col. W. A. Steel.]

By Mr. McIntosh:

Q. All that would be necessary would be a conference between the three heads, and I think provided the goodwill motive was present such should not be a super-human act of business ability at all?—A. What we would have to demand would be that in whatever pooling arrangement there might be, whether for commercial services or purely sustained features, we must have that feature of duplicate service which we have to-day. I could quote you a good many examples showing the necessity for that duplicate service. Take the severe storms of last year throughout the west and in British Columbia when the service was so difficult to maintain, had we been forced to depend on any one line, whether Canadian Pacific, Canadian National or Trans-Canada, we certainly would not have been able to keep up the service in various parts of Canada as we did.

Q. It is important to have a duplicate service?—A. Yes.

Q. And a triplicate service would be better still?—(No response.)

By the Chairman:

Q. You claim that the pooling system of 60-40 works to great advantage for radio broadcasting in Canada?—A. Yes.

Q. But at the same time in making a contract for five years the Trans-Canada Telephone wire lines and even the western provinces wire lines were not given any consideration at all. It is hard for me to understand, if your 60-40 arrangement works well in one way, why it would not work well in another. That is not a criticism?—A. I understand.

By Mr. McIntosh:

Q. Would you say that is one mistake which you would correct if you had to do it again?—A. Would you mind amplifying that later? I am rather tied up between the question asked by the chairman and your question. I will answer the chairman first, if I may.

Q. Certainly?—A. Mr. Chairman, I would like to say that the commercial arrangements are to a very large extent within a region. We have very, very little national advertising over the radio in Canada, national commercial set-ups in Canada. They are very largely within one of the five regions in Canada: The Maritimes, Quebec, Ontario, the prairie provinces and British Columbia. We therefore are not called upon to face that duplication of service to the same extent that we would have to face it with a national series of programs such as our sustaining features right across Canada two or three hours every night. So that the problem does not arise quite so much in the pooling arrangement as it does in our sustaining features which are to a very large extent national.

Q. You have regional national broadcasts?—A. Yes. I am talking about sustaining features.

Q. Yes?—A. Yes, we have both.

Q. You have them originating in Regina and Winnipeg in western Canada?—A. Yes.

Q. Would the telephone system for that regional network be suitable?—A. So far as their lines are concerned?

Q. Yes?—A. As far as I know there is very little difference technically between the lines of telephone companies and telegraph companies; they are using standard equipment and they are adjusted in the same general way.

Q. Take the Manitoba Telephone System, they do not get one cent from the radio commission for their telephone wire lines, do they?

Mr. McINTOSH: From the telephone lines?

The CHAIRMAN: Yes.

A. Well, I do not know that I am in a position to answer that question absolutely accurately. I think in the main you are correct. We do in a number of

places in Manitoba obtain from the Manitoba Telephone System local services, local lines, and of course it is paid for direct. For example, if we are making pick-ups in various places in Manitoba away off the railway system we usually get our loops, as we refer to them, from the Manitoba Telephone System. Those, of course, are paid for.

By the Chairman:

Q. Paid through the railway companies?—A. We usually pay for those direct.

By Mr. McIntosh:

Q. And the same holds true for Saskatchewan and Alberta?—A. Yes. I have a statement here showing the amounts paid directly to the Bell Telephone Company by the radio commission outside of any commercial work or any money they receive from the contract between ourselves and the railway commission.

Q. You have not a similar statement for the western network?—A. Unfortunately not. The chairman handed me this statement last night.

Mr. McINTOSH: For the three western provinces, Mr. Chairman.

The CHAIRMAN: My information is that none of them get a nickel from the radio commission.

Mr. McINTOSH: I have some questions to ask.

WITNESS: Would you care to have me file the whole statement together? For example:—

1933-34..	\$ 8,534 02
1934-35..	17,909 97
1935-36..	24,031 97
Total..	<hr/> \$50,475 96

That was paid directly from the commission to the Bell Telephone Company for services which they rendered to us outside of the contract we have with the two railway companies.

By the Chairman:

Q. That is outside of the pooling arrangement?—A. Yes, for special services, loops and various special services we had to get within the area supplied by the Bell Telephone Company, and I shall be glad to get the same statement for the three western provinces and British Columbia.

By Mr. Campbell:

Q. This morning you heard Colonel Landry intimate that you had all to do with the hiring of the employees of CKNC or CRCT at the present time. There is very little correspondence about it?—A. I heard what Colonel Landry said this morning.

Q. Could you tell us anything about the conversations that it is intimated took place? The letters I put on file this morning, but have you anything else to show how the employees were taken over?—A. The arrangement between the Canadian National Carbon Company and the radio commission with regard to our taking over that service ourselves as from the 1st September, 1935, were carried out very largely verbally, mainly during visits of Mr. Greig to Ottawa.

Q. I note that by the letters?—A. Yes.

By Mr. Martin:

Q. What was that gentleman's name?—A. Mr. Greig, who was the head of the Canadian National Carbon Company, and the man with whom we had [Lieut.-Col. W. A. Steel.]

always dealt in all our relationships between the radio commission and the Canadian National Carbon Company. They were very largely of a verbal nature.

By Mr. Campbell:

Q. But mostly with you?—A. Largely with me, yes.

Q. You could give the committee the benefit of your knowledge on that?—A. Well, the arrangement was that we intended to take over the majority of the staff which he already had at that plant, although there were some persons we felt we did not require.

Q. To whom did you impart that knowledge?—A. I told Mr. Greig.

Q. In one letter he says he notified the staff and intimated in the letter that he had passed on an intimation to the employees that they would be taken on by the radio commission?—A. I do not think he says they would be taken on by the radio commission. The National Carbon Company naturally had a contract with each one of those men while they were operating for us, and I think you will find in Mr. Greig's letter he says definitely that the National Carbon Company will not require their services after the 31st August, 1935, and he left it up to the radio commission to approach these men directly.

By Mr. Ryan:

Q. That was a matter of protection?—A. A matter of protection for the Canadian National Carbon Company.

By Mr. Campbell:

Q. There must have been some feeling of security amongst such a large number of employees that they were going to be kept on or naturally there would have been correspondence regarding their positions?—A. There were a number of telephone calls, and I know Mr. Maxted was approached by a large number of the men to see if he knew what was taking place. We had had some experience previous to that in trying to obtain authority from the treasury board and the Privy Council for additional staff or for our regular staff, and the commission prepared a statement setting out which particular individuals in Toronto were required; we did not keep them all, although we kept the greater number. We submitted that statement to the treasury board asking for authority to take these people on. After the difficulty we had experienced previously we did not feel like making any statement in writing to the staff in Toronto to the effect that we intended to take them on only to find out at a later date that we might have difficulty with the Privy Council and could not get authorization.

Q. Still you must have intimated that they would be kept on?—A. I can only say that on a visit by Mr. Maxted to Ottawa we told him we hoped to take most of these people on, and that we were submitting a request to the treasury board for their approval. No doubt he imparted that information to most of the staff. Later on, within the first ten days in September, I was in Toronto in connection with a trip I made through to Windsor and various places in western Ontario, and a number of the staff approached me there asking what was going to take place, and I told them we had made this submission to the Privy Council but we were not going to make any direct statements until we knew we had the authority.

Q. At least they knew the radio commission had recommended their employment?—A. Yes, they did.

Q. That was some sense of security?—A. Whatever they cared to take out of it. They knew as well as we did the difficulty we had in getting approval for staff in the past.

Q. You stated they were not all taken on. I know most of them were appointed by two orders-in-council, those you did take on. What happened to the ones that were not taken on?—A. They stopped work on the 31st of August.

Q. And the ones you took on kept on working?—A. Yes.

Q. They must have had some idea that they were going to be kept on or they would have quit with the rest?—A. All they had was our statement that we hoped to take them on.

Q. They considered they were your employees? (No response).

By Mr. Massey:

Q. They had no reason to consider they were the employees of the radio commission?—A. We notified these people of the action that we had taken and told them definitely that no assurance could be given to them until we had received authority from the Privy Council.

By Mr. Campbell:

Q. Still they knew your situation and attitude, and that you were giving them orders, and you considered they were working for you? (No response).

By Mr. Campbell:

Q. They still kept on working?—A. Yes.

By Mr. Edwards:

Q. They were not in the employ of the radio commission until August 31?—A. Not until the Privy Council had signed that Order in Council.

Q. And they had no knowledge that they would be kept on?—A. They had no proof.

Q. But they had your say-so that you had made the recommendation?—A. All they had was the statement of the radio commission that we had recommended to the treasury board that certain of the staff should be brought on permanently from the 1st September.

Q. Had you made any similar recommendations to the treasury board regarding any other employees?—A. We had made quite a number of submissions to the treasury board.

Q. And they were not taken on?—A. They were not taken on for some months. We have had considerable difficulty in getting our submissions with regard to personnel approved by the treasury board.

Q. So there was nothing certain about the matter and these men had no assurance that they would be taken on? They were simply hoping they would be taken on?—A. Yes.

MR. MASSEY: We had two of these gentlemen on the witness stand testifying under oath, and both of them stated to us with crystal clearness that their positions were in jeopardy. If I recall rightly the words of Mr. Lucas he said: "It came out of a clear sky."

By Mr. Campbell:

Q. We have the word of one of the commissioners that he imparted to Mr. Lucas' senior officer, Mr. Maxted, the information that you had recommended these men to the Privy Council. What date did you commend them to the Privy Council?—A. I could not be sure, but very shortly after we knew that the Canadian National Carbon Company were not going to carry on past September 1.

Q. Towards the 1st August?—A. The end of July.

Q. You imparted this information to Mr. Maxted and he no doubt had conversations with Mr. Lucas?—A. No doubt; but we made it perfectly clear that there was no guarantee, and all we were doing was recommending to the Privy Council that certain men be taken on.

[Lieut.-Col. W. A. Steel.]

By Mr. Massey:

Q. In the light of the experience of the three previous years, of which Mr. Maxted and the others employed in Toronto had knowledge, you would not regard what you said in Toronto as any very great assurance?—A. I would not.

By Mr. Campbell:

Q. How do you explain the fact that some employees on CKNC staff, the National Carbon Company, quit work on August 31 and the others stayed on?—A. Because they knew we had not included them in our recommendation.

Q. And the others by your recommendation knew they were to be kept on?—A. No.

By Mr. Ryan:

Q. Those men were on the job on the 1st September?—A. Yes.

Q. They were working there with your knowledge and consent?—A. With our knowledge.

Q. And consent?—A. Well, if you like; I do not see that that has much to do with it.

Q. You may not think so, but I am asking the question?—A. We did not order them not to work.

Q. You gave them instructions while they were on the job?—A. The Radio Commission did, yes.

Hon. Mr. HOWE: The Radio Commission took over the Canadian National Carbon Company as of a certain date and had to have staff, and the Radio Commission stated that they had recommended the staff to the minister, and the only person who appoints here is the Governor in Council on the recommendation of the minister. Everybody knew it; the people knew it. The Radio Commission says that is what they did, and it sounds very reasonable. In due course the Order in Council came through and then the men had a job. Those are the facts. You can draw any conclusion you like. It happens every day around here.

Mr. RYAN: My position is that these men remained on the job working for the Radio Commission and were entitled to their pay, and the Radio Commission would have to pay them.

Hon. Mr. HOWE: The Radio Commission could not pay them unless the Governor in Council authorized the payments, but those men had every reason to believe they would be appointed.

Mr. RYAN: They had a claim against the government on a quantum meruit basis for the time they were so employed.

Hon. Mr. HOWE: They could have a claim against a private individual but not against the government.

WITNESS: If by any chance the government had not seen fit to pass that Order in Council those men would have been working for that period for nothing.

Mr. RYAN: With all due respect I submit that if the Attorney General had given these people a fiat to go into the courts and sue the government they could have collected their pay.

Mr. MASSEY: No, sir.

By the Chairman:

Q. Have you knowledge of others working in departments of the government without knowing whether they were going to get paid?—A. Yes; I have

known of that on a number of occasions. I have also known them to work for a period of time without being appointed and without receiving any pay for the work they did.

Q. No pay?—A. No pay.

By Mr. Martin:

Q. The telegraph companies admitted the other day that about 17 per cent of the contract prices was paid to British Columbia, Prince Edward Island and New Brunswick. Do you remember that?—A. I remember the discussion; I would not be sure of the figures.

Q. Do you agree with that?—A. I have no means of either agreeing or disagreeing with it. That is a matter between the railway companies and the individual telephone companies. We only know that we pay the railway companies certain amounts. If they in turn have sublet part of that service to the local telephone company the price of that subletting would be by arrangement between the railway companies and the individual telephone companies, and we would have no knowledge of it.

Q. The only payment to the prairie telephone lines is for actual telephone service between the point of origin of programs and the broadcasting station?—A. As far as I know.

Q. Pardon?—A. As far as I know that is the case.

Q. The telegraph company cannot supply that service, can it?—A. Well, that is the service to which I referred a few minutes ago as being in the nature of loops to pick up a spot program, let us say from an auditorium or rink or some outdoor event, and it is usual in all centres of Canada to obtain those loops from the telephone companies supplying that district. As a matter of fact, in most places in Canada the loops between the stations and the control point of the railway wire line system are usually provided by the telephone company.

By Mr. Campbell:

Q. Mr. Hanson, who could not be here to-day, asked me to ask you whether any attempt had been made to connect any of your network with the Yukon Telegraph Company or the Canadian National to Prince Rupert, or to construct a station in the interior, which he was led to believe private interests were anxious to construct. By the interior I mean northern British Columbia?—A. There is at the present time a small station in Prince Rupert. Prince Rupert, it is quite true, is on the Canadian National line between Edmonton and Prince Rupert, but the type of wire line service between the junction point of the main Canadian National and the line which runs on into Prince Rupert is not of such a nature that it could be used for broadcasting purposes. If we were to attempt to feed our service into Prince Rupert it would mean the construction of a broadcast pair all the way from the main line of the Canadian National just west of Jasper some hundreds of miles into Prince Rupert at very great cost.

Q. What about building a station in the interior of British Columbia to serve the Peace River area? Mr. Hanson has been led to believe that there are private interests who wish to do that?—A. We have had no applications to date from any private interest prepared to establish a station of any size in the interior of British Columbia outside of stations in Trail, Kelowna, Kamloops and Chilliwack. As you are aware, the nature of the interior of British Columbia is very mountainous, and the result is that it is extremely difficult to cover such a large area with a given amount of power, and I do not think any one station could be placed in British Columbia which would satisfactorily cover all that northern

[Lieut.-Col. W. A. Steel.]

part, let alone attempting to get into the Peace River district. The only way British Columbia can be satisfactorily served is by a series of small stations located where there is any density of population.

Q. Between Jasper and Prince Rupert?—A. Yes. That is going to cost a great deal of money, and we have not had the money up to date.

Q. You never made any estimate?—A. Yes. As a matter of fact I have submitted a number of estimates to the government and in one of these particularly I suggested that certain things should be done around the Fort George-Quesnel area which is the area Mr. Hanson is interested in.

Q. You made similar suggestions with regard to northern Ontario?—A. Yes. I recommended a 10-kilowatt station to serve that area in northern Ontario.

Q. Where was it to be located?—A. I believe I suggested Rouyn and Noranda district, but somewhere between Kirkland Lake and Noranda would be quite satisfactory because from there you could serve both the Ontario and Quebec sides.

By Mr. Edwards:

Q. How far west of Amos would that be?—A. About 80 miles.

Q. Supposing you installed that station at Kirkland Lake or Rouyn would it cover the Amos district?—A. The conditions to be met in northern Ontario are a bit difficult. It is very rocky, as you know, and the loss in transmission over that area is greater than it is in an area like the west. It would be difficult without making an expensive survey to state definitely, but it is my opinion that were the station I recommended located at Noranda you would get good service at Amos.

By Mr. Ryan:

Q. What would be the cost of a 10-kilowatt station?—A. Oh, a 10-kilowatt station would cost in the neighbourhood of \$100,000.

By Mr. Edwards:

Q. What about that area recommended by the Aird report for the Maritimes? Where would that be located, and how much would that cost?—A. We would recommend a station of somewhat similar power to be centrally located in the Maritimes in such a way that you could serve the greater part of the three Maritime provinces.

Q. Would such a station take care of the Yarmouth district?—A. I believe it would.

Mr. McINTOSH: Mr. Chairman, I would like to ask Colonel Steel a few questions.

WITNESS: May I make a statement before you proceed to do so? I would like to point out that the efficient way to use your channels is by putting in a high power station rather than to attempt to put in a number of stations in different parts of the country all operating on the same channel. I would like to see the Canadian system somewhat revised along that line so that we might make more efficient use of the clear channels we have. I have always been in favour of getting higher powered stations in Canada in order to make more effective use of the channels we have. During the last regime when we were appointed it was the opinion that that should be done on a national ownership basis, and for that reason we felt we should do our best to bring that about; and we felt it would be unwise for us to give higher power to privately owned stations until the question of complete nationalization in Canada was definitely settled. We have been trying to get complete nationalization because we believe in it, and we did not desire to hamper ourselves or some future body by giving such power to privately owned stations until it became apparent that there was no chance of establishing a nationalized system.

Q. You have heard the suggestion made by many bodies about a sort of general working arrangement. What do you think of that proposal in view of your experience?—A. We are actually carrying out just that kind of system at the present time. The system in actual operation in Canada today is a partial national system working in co-operation with privately-owned stations.

By Mr. McIntosh:

Q. Your point is that it should be a completely owned, operated and controlled national system?—A. No; I would not go so far as to say complete, because I believe there are areas in Canada that should be served by privately owned stations; but I believe that the high power stations in Canada should be under the control of the body responsible for the national system.

Q. Then you believe in a combined policy?—A. I do, sir.

Q. That was the presentation put before us by other organizations who made submissions to the committee?—A. As a matter of fact, in every technical set-up I have proposed to this government or to the last government I have been in favour of a combination of privately owned stations working in conjunction with a really first-class national system, the national stations to be so located that they could give the maximum of coverage particularly in the rural districts.

Mr. McINTOSH: That is important evidence, indeed. I have next a few questions to ask you from a Western point of view, or perhaps more particularly from the point of view of the people of the province of Saskatchewan. First, we have had a good deal said before the committee about a central executive. The idea was put forward that some would prefer centralized control in three of the large cities, for instance, Ottawa, Toronto and Montreal. What is your opinion about a system of that kind, centralized control in those three centres?—A. Well, Mr. McIntosh, the situation in Canada to-day is this: In those large centres, Toronto, Montreal, Ottawa, Winnipeg, you have by far the largest number of artists upon whom you have to call for the majority of your programs, and therefore you are bound to have a very large percentage of your work centralized in those places. I feel, however, that there are a great many artists of prominence in other centres, and it is for that reason that the Radio Commission has scattered its programs so thoroughly throughout the country. We are picking up programs from almost every centre of any importance, from Cape Breton through to Vancouver.

Q. I gather from your statement now that you were not in favour of centralized control in two, three, four or five cities in the Dominion?—A. Not complete.

Q. If that is your viewpoint on centralized control I agree with you. My own view is that whether these cities are in the East or West, centralized control will absolutely and ultimately ruin a national system of broadcasting, so we may as well dispense with it. In opposition to that view, however, we must expect democratic, representative control over the various broadcasting zones throughout Canada. What is your viewpoint on that question?—A. If you will look at the Radio Act you will find that the Radio Act envisioned just the type of thing to which you refer.

Q. Representative control?—A. There were to be local councils which were to be representative of the various areas throughout Canada. Now, for reasons which I do not believe I am in a position to explain the late Government did not see fit to appoint those councils, but I believe we would have been greatly assisted in our work if we had had those councils.

Q. You really think then that representative control thoroughly worked out is the ideal for which we should strive?—A. Yes, I think it is a very excellent idea.

Q. I come next to the question of the amount of money that should be spent for payment of an executive. Quite often we hear about the amount that

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should be paid in the way of salary to the members of the national radio executive, and there was some talk about such a man serving the nation without recompense, and some talk about members of the executive getting \$500 or \$1,000 or some such paltry sum. What is your opinion of a proposition of that kind?—A. What proposition?

Q. As to the remuneration that should be paid to the head of a national radio commission and perhaps to his main executive officers.—A. It is rather a big question but perhaps I can answer it in this way—

Q. It is a question of great concern to very many people whose viewpoint is that the service we are going to get from a national executive of that kind will be in proportion to the amount we pay him?—A. I think the problem has to be divided very distinctly into two parts. If you are going to have a body of men who will be charged with the actual work of setting up networks, preparing programs, distributing programs, and doing the one thousand and one details required to make a success of such work I do not think you can expect to get the right type of men unless you are prepared to pay them well for their work. Further, it was proposed in the Radio Act of 1932 that there should be a general advisory body associated with the executive body which would be prepared to give advice on the relationship between radio in the various parts of the country and the various units of our people.

Now, that is very similar to the work done by the National Research Council as such. There you have an executive head who is paid and a staff working under him who are paid, but over and above those you have a council which meets three or four times a year. Those men come from various parts of the country, from universities and bodies interested in research, and they get together and talk over the general problems of research and their general findings are passed on to the president of the Council who in turn carries out the details.

Q. An those individuals on the advisory council are paid only their travelling expenses?—A. Yes, and I believe, although I do not know, that they get directors' fees or whatever you care to call them. It should be a nominal sum because those men are called upon to do only a certain amount of work three or four times a year; but the men who are charged with carrying out their recommendations must be properly paid for their work.

Q. You agree with the idea that the head of the executive and the members of the executive who are doing the main work should be satisfactorily paid for the great services they would be expected to give to the country in the development and up-building of radio as a national uniting force all over the dominion?—A. Yes.

Q. There is another point I desire to deal with from the standpoint of the province of Saskatchewan and that is in connection with the "Sage" broadcast. The feeling throughout the West—we have threshed it out fairly well already, but I would like to leave this parting thought with the members of the committee and also with the Minister—is that this type of broadcasting should be forever eliminated from the air in the future throughout Canada, and that the only type of political broadcasting that should be permitted is broadcasting along fundamental political lines and not controversial small politics—

Mr. MASSEY: Does my honourable friend refer to the Liberal party?

Mr. McINTOSH: No, to the Conservative party and to all parties—and that if any dirty linen is to be washed between two parties or between two groups of political thought, that should be done in their own localities and not by a national hook-up or regional broadcast.

Mr. MASSEY: The radio is not a national laundry.

Mr. McINTOSH: No; it has been, but we hope it will not be in the future.

Q. These are ideas I desire to put before you, Mr. Chairman, from the point of view of the western provinces. May I go a little farther: As you know,

Colonel Steel, there have been many criticisms against the radio commission of the programs broadcast over the western network. These criticisms have been voiced from year to year and month to month, and perhaps it might be well before I go into them to get before the reading public once more the number of zones into which we have the dominion divided?—A. From the radio point of view?

Q. Yes.—A. There are five: the Maritimes, Quebec, Ontario, the three Prairie Provinces and British Columbia. Ontario and Quebec are separate.

Q. They are separate?—A. Yes.

The prairie provinces are a unit so far as national broadcasting is concerned?—A. Yes.

Q. And so far as regional broadcasting is concerned you have only one regional director for the three prairie provinces?—A. Yes, that is right.

Q. The three prairie provinces are a unit in one network and we have one regional director. There have been certain criticisms and they have been to a large extent levelled at that director, and if there is any criticism of the radio commission in these western provinces it has been largely because of that director. There has been a great deal of dissatisfaction about the way the work has been carried on. Who is your regional director in Saskatchewan?—A. Mr. H. N. Stovin.

Q. I notice that he was appointed on October 19, 1933, at a salary of \$3,000 a year by P.C. 113-2102. That was the authority. Then he has a Grade 2 stenographer whose salary is \$1,080.—A. That is a standard Grade 2 stenographer.

Q. Do you know to what profession this regional director named Mr. Stovin belongs?—A. Mr. Stovin has been in the radio game in the West for a good many years. He had his own station at first, and later on was employed by one of the stations in Regina; he was employed by that station when we took him over. He has had many years of experience as a radio man.

Q. Yes. The people of the west feel that there has been arbitrary authority exercised and that that arbitrary authority has been exercised through Mr. Stovin unduly. The selection of program material has been very, very poor. The programs have not been in any way attractive, with the result that criticisms are continually being levelled against the regional director and also, of course, against the members of the radio commission in Ottawa. For instance:—

The type of programs released over the Western network does not reflect the musical standard of Western people nor does it represent the best talent that the West is capable of producing. As the Radio Commission is at present constituted, with a regional director responsible for the programs over the Western network, no attempt whatever is being made to induce artists of outstanding merit and training to contribute to the programs; on the contrary, the regional director, particularly at the Regina station, selects two or three of his intimate friends, who are very commonplace artists, to be permanent contributors to the commission's programs. These two or three have monopolized the broadcasting from this station and have had a permanent place on the programs ever since the formation of the commission.

That monopolization has been going on for the last two years.

The two parties in control of the commission's broadcasting from this station are Cyril Hampshire and W. Knight Wilson, the former gives a program recital entitled "Night Wind" every Wednesday evening at 10.30 M.S.T.; the latter directing what is known as "Pastel Panels," or at times called "Garden of Melody" on Sunday evening at 5 M.S.T. The latter program has been running for the past year or two. I—

Mr. BOUCHARD: Is "Night Wind" a new kind of Chinook?

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Mr. McINTOSH: Evidently. Please let me proceed.

Mr. MARTIN: Mr. Chairman, I think we should have the source of this information.

The CHAIRMAN: Do you get that program including "Night Wind" in North Battleford?

Mr. McINTOSH: Sometimes. They say it stops mostly where the grass-hoppers stop. It usually does not get quite that far north. Then:—

I might state that it would be difficult for either of these artists to qualify for a place on a commission program before a proper tribunal where his performance was being adjudged on its merits. The practice of having the same persons contribute continuously from the same station week after week and year after year becomes very wearisome and uninteresting, and it is quite evident it is done for no other purpose than to give a permanent job to two or three of the program director's intimate friends.

Mr. McINTOSH: Now, with regard to the regional director himself, Mr. Chairman, it can be seen by the members of the committee that if the regional director is not a high-class man the people will not get programs of a high-class order, and the resultant complaints will fall on the heads of the radio commission at Ottawa.

The regional director for the Western network, Mr. H. Stovin, is a druggist by profession, and I am informed has no musical training whatever, in fact, judging from the programs he constructs, it is quite evident that he has not even an appreciation of good music, and hence we get jazz and inferior music in such large proportions that the Western people have learned to disregard our Western programs to a large extent, not because they are opposed to the principle of public control, but on account of the kind of programs that are being released over the network.

Mr. McINTOSH: The feeling of the people of Saskatchewan and of the West is that the time has come to halt that sort of thing and to put radio broadcasting upon a higher plane.

Mr. RYAN: No more "Night Wind"?

Mr. McINTOSH: No. One difficulty about the Western programs is that they are in the hands of a man like Mr. Stovin who possesses a certain degree of arbitrary authority and that arbitrary authority has been abused. His selections have not been in the interests of the people of Saskatchewan or of Alberta, and his artists have not possessed the quality and ability they should have possessed. Secondly the programs are looked upon as programs produced by inexperienced persons lacking proper qualifications, and the general opinion is that the principle of centralizing the authority in a man like the regional director at Regina and attempting to educate the people musically and dramatically through an organization of that kind is a viscious principle.

The CHAIRMAN: Would you like Colonel Steel to answer you now?

Mr. McINTOSH: Yes, if Colonel Steel desires to say anything about the regional director or his qualifications he may answer me now, but perhaps if I put on the record what I have in mind first it will be more satisfactory.

The CHAIRMAN: Very well.

Mr. McINTOSH: With regard to the other two provinces I think the same viewpoint would be expressed. If you had a representative committee from these three provinces they would give you the same criticism as I am giving you at the present time with respect to radio.

You will readily conclude from the above remarks that the weakness of the present system is found in the arbitrary authority vested in the

regional director and the abuse of such authority in permitting a few who happen to be his friends to exploit the commission to the exclusion of trained artists who have spent years in preparation, both in Canada and abroad, and who can always get an audience when heard in recital in our Western cities. Discretionary powers are necessary and proper in a qualified tribunal whose integrity is indisputable and who desire to do the right thing, but when vested in inexperienced persons without proper qualifications it is anything but a right principle.

The situation which I have described in Regina; I am informed, exists in various cities throughout the Western network, and it is a recognized fact, as the Western Music News point out, that no artists of outstanding reputation are asked to contribute to their program. The result is that not only is the public prejudiced against the commission, but all leading artists in Western Canada and their friends have now come to look upon the commission as an institution for the favoured few who have special privileges through the regional director, notwithstanding their lack of proper qualifications.

Now, that is damning information?—A. I beg to say that there is undoubtedly an answer that can and will be made to what you have said and read this afternoon, Mr. McIntosh. There are two sides to every question. Unfortunately I am not the member of the Radio Commission responsible for programs.

Q. That is why I thought Mr. Charlesworth should be present when I took this matter up, but the Chairman of the committee insisted that Mr. Charlesworth might not be able to come here again and so I am taking it up with you.—A. I understand that; but I want to point out that from the point of view of the Radio Commission there is a very definite answer that can and will be made to every statement you have said or read this afternoon. I cannot and do not agree with the greater part of what you have stated. This commission has had many complimentary statements made to it from the west and particularly from the east on the type of programs which it has broadcast over the national network and which have been heard both on the Pacific coast and throughout Ontario, Quebec and the Maritimes.

Q. No doubt, but I believe the majority of western listeners would uphold what I have said this afternoon. Personally I have no axe to grind. I am simply stating what I think I should state as a member of this committee on the question of national radio. Now, instead of having one man in Regina trying to function for practically two million people in the three great prairie provinces would it not be better to have a man possessed of musical ability and musical tastes and also organizing capacity and a perspective that would enable him to get in touch with these three provinces and hook them up in a progressive way to this regional broadcasting? If the regional director is a druggist and has no musical ability, what can you expect except criticism? One reason for criticism in the west is based upon the fact that those who have studied music abroad and have returned as highly talented artists whose programs command capacity audiences in any western city have been absolutely ignored. If they desire to play over the commission network they have to submit to the humiliating experience of having an audition before a druggist or a blacksmith, and then are informed that their programs are too good for the western people who must have jazz and inferior music. To my mind a person who puts up a proposition of that kind is not fit to occupy a position of any kind?—A. I am convinced that that attitude is not adopted by the radio commission in the west, and I say we should have an opportunity of analysing these statements and bringing in a report indicating the point of view of the radio commission. Mr. Bushnell is our representative here in charge of program work in Ontario and the west, and he has made a

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trip through the west together with Mr. Stovin and has given auditions throughout the west. Mr. Bushnell is a well recognized authority on programs. I request that the commission be given an opportunity to have somebody appear before the committee or to record in the form of a brief an answer to these serious accusations. That would be only fair to the radio commission. There are always two sides to every question.

Q. Colonel Steel, if you had wished to investigate the situation you had ample opportunity to do so during the past year. I have here Volume IV of the debates of the House of Commons, session of 1935, and at page 3848, under date June 20, Mr. Bothwell, quoting a correspondent, stated:—

I am therefore taking the liberty to draw your attention to the inferior class of music being broadcast over the commission's network, and I hope that when the bill again comes before parliament these matters may be brought to the attention of the members and the government.

I think you will admit that those who are to construct the programs should themselves have some knowledge of music; in fact they should have such training as would enable them to select the best artists available to play over the network.

This is not the case. I think you will be familiar with Mr. Maher's qualification as a director of programs a year or two ago. He came through the west and selected those who were to play over the commission's network. As an example of his choice. . . ."

That is one of the main criticisms I am making here this afternoon?—A. To whom do you refer?

Q. Mr. Maher. That is one of the chief criticisms I am making this afternoon, that when it comes to the question of choice there is no ability back of it. Let me finish this quotation:—

. . . he selected one Al. Smith from Prince Albert to be the pianist at the Regina station. He is, as they announce, a "natural" jazz player, but is full time pianist at this station, in spite of the fact that there are pianists here who have distinguished themselves abroad, and have degrees from such recognized institutions as the Royal Academy of Music and the Royal College of Music, London, England.

If the commission is to continue, members of parliament should insist that it be modelled after the B.B.C. system.

I want to continue that thought. This criticism was made last year, almost a year ago. The radio commission has been functioning since and nothing has been done. We still have jazz music and inferior programs going over the western network.

Hon. Mr. HOWE: Does it not simply mean that you do not like certain programs? As minister I can say that the greatest diversity of opinion imaginable is expressed about the same program. I have in mind one program which one section of Nova Scotia regards as the finest in the world, while another section of Nova Scotia regards it as an insult to the Scottish race, and so on. You are giving your opinion, Mr. McIntosh, but is it conclusive?

Mr. McINTOSH: Yes, fairly conclusive. And it is not my opinion entirely.

Hon. Mr. HOWE: The radio commission takes a cross section of the west and arrives at the conclusion that such and such a type of program pleases the west. Could we get any farther than that if we argued all night?

Mr. McINTOSH: My point is that although I appreciate what you say, Mr. Howe, and realize that it would be very difficult to get a program 100 per cent or 90 per cent satisfactory, the programs are not generally satisfactory to the west because they are not constructed rightly or sensibly. The principles at their foundation are wrong, and we are never going to obtain satisfaction

until we change the system. At the present time we have a little monopoly in Regina running programs. Does any sane person think we are going to get satisfaction from an organization of that kind? I do not think so. What do we want? Can we not have the best possible regional director available? Then can he not have an advisory committee or a board with a membership of three or five who could spend a month or two months travelling throughout these three western provinces and getting in touch with musical ability and have those who might be qualified to appear on the western network attend auditions with this board, and when the time comes could they not see that these artists are given a chance to participate? At the present time we are not tapping the dramatic and musical ability of the three western provinces at all. That is my main complaint. From a democratic point of view we have not touched the surface of musical and dramatic ability in western Canada, although we have been functioning there for over two years. Now, to get the right type of program we have first to find out where the ability lies. A travelling board would accomplish that. Then the director would be responsible. He would not have the arbitrary authority he has now. The regional board would select the required artists possessed of dramatic and musical ability and they would have the names of these artists to hand over to the regional director, who would have to make use of them. As it is at the present time the authority is all centred in the regional director and he and a few others constitute a monopoly. That being the case, how can the programs be popular throughout western Canada? It is impossible. Perhaps no one man can do this job satisfactorily. He would have to have a travelling board who would spend a month or two travelling throughout the west tapping the different areas of these three western provinces to find out where the musical and dramatic ability lies, and thereafter give such a chance to function. Immediately that is done there will be better programs broadcast on the radio throughout western Canada, and radio will become a force for upbuilding not only the west but the whole dominion.

WITNESS: These statements have been made by Mr. McIntosh and I have requested an opportunity to reply to them in the form of a brief, but I must say that the evidence that comes to the radio commission in the form of letters and statements from the west as well as from all parts of Canada would not support the statements Mr. McIntosh has made. It is a matter of opinion whether Mr. Stovin has ability to build programs or not. We have evidence showing that he has such ability. On that phase of it I do not propose to speak with any great amount of authority because I am not the program head. Mr. Maher went through the west in 1933 with Mr. Bushnell who made the various selections after interviewing various artists and carrying out auditions in various places. Mr. Bushnell is quite capable of making these auditions; he makes them regularly throughout Ontario and other parts of the country with great satisfaction. Therefore there must be two sides to this question, and I shall ask Mr. Bushnell to prepare a brief to present to the members of the committee which will answer these statements. I do not think I am in a position to answer them. I have heard many of these programs from the west and have liked them very much. I have heard the program by W. Knight Wilson and considered it very, very good, and I have heard good programs from Winnipeg, Calgary and Edmonton, and have heard first-class programs coming out of Saskatoon. They have the Farmers' Fiddlers program there which has taken the top in the newspaper vote of the western newspapers.

By Mr. McIntosh:

Q. There is no doubt there are some good programs?—A. You cannot expect me to answer these allegations here this afternoon. I have neither the time nor the information with me to do so, but I respectfully request that I

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be given an opportunity to ask Mr. Bushnell to prepare an answer in the form of a brief explaining the point of view of the radio commission, and to present it to the members of the committee for their information.

Q. That is only fair?—A. Thank you.

Mr. McINTOSH: Further.

Every year the Musical Festival Associations of the various provinces engage adjudicators of international fame to adjudicate on the merits of the various contestants, and it appears to me that the matter of selecting artists who are to play over a coast to coast network should at least receive the same careful consideration which is given in connection with musical festivals.

If that is our policy in connection with the annual Musical Festivals for our own people in the west, and I think it is a proper policy, then in a national hook-up from coast to coast covering the three western provinces and in the regional network programs surely the same careful consideration should be given to the selection of artists and also to see that if there is ability in our midst it be given an opportunity to function. Surely that is indisputable?—A. I do not think, Mr. McIntosh, that we have any desire to raise any arguments against your statement in that regard. I think the radio commission is only too anxious to co-operate with you. There is, however, one thought I would like to leave with you and that is this: To do the thing in a big way as you have suggested would cost a large amount of money, and it is just possible that in the subdivision of our money from Halifax to Vancouver it would not be possible for us to do quite all you have asked. We might be able to do only part of it until such sums of money are available as would enable us to carry out a proper service not only in your part of the country but in all parts of the country.

Q. You could have an advisory committee set up to function with the regional director?—A. Yes.

Q. And that would not cost much money and should achieve splendid results?—A. As I pointed out to you, that idea was in the original Act but for reasons I cannot explain the government did not see fit to appoint that committee.

Q. May I say in conclusion that what I have said to your commissioners is not an expression of my own point of view but the point of view as I have gathered it in western Canada. As a public man and a newspaper man I have received letter after letter and communication after communication and have had conversation after conversation along these lines, and I considered it was my duty as a member of this committee to put my information before them. For what purpose? In order that the information I have given may be utilized in such a way that it will result in the upbuilding of a better national radio system for the whole dominion.—A. The radio commission are only too anxious to co-operate with you in that regard, Mr. McIntosh.

By Mr. Campbell:

Q. Do you employ any method of surveying the number of listeners on any of your commission programs similar to telephone surveys?—A. We have carried that idea out to a limited extent. It is an expensive proposition. We have not had the money to carry it out extensively across the country.

Q. But you have gathered some information?—A. Yes. We have carried out newspaper surveys and have made surveys through letters that reach us, and in a few cases we have carried out telephone surveys and have co-operated with some of the private stations in surveys. We have carried out listener surveys across the country to the best of our financial ability.

The CHAIRMAN: I think that ends our proceedings gentlemen.

Mr. CAMPBELL: It was the intention of the committee to call Commander Edwards.

Hon. Mr. HOWE: I may say that Commander Edwards is in another branch of the service, and I prefer that he be not called.

Mr. MASSEY: Mention was made of the presentation of a brief by Mr. Bushnell.

The CHAIRMAN: Yes.

WITNESS: A number of questions came up this morning. I do not know whether they have all been answered or not. I made my own statement, but various other questions came up with regard to the Canadian National Carbon Company contract and Mr. Mortimer's statement. I asked permission to make a statement this morning. May I do so now?

The CHAIRMAN: I do not think it is necessary.

Mr. MASSEY: The question arose about the standing of the employees of the Canadian National Carbon Company, and it was suggested that I should ask Colonel Steel a few questions in that regard and also in regard to the minute of the commission. It might take a little time.

Mr. CAMPBELL: If Colonel Steel desires to make a statement I think he should be allowed to make it.

The CHAIRMAN: Are the members of the committee willing to wait for a few minutes? (Carried.)

WITNESS: The statement I desire to make bears on the question of the first Canadian National Carbon Company contract, the contract under which they operated station and studios in Toronto for the Radio Commission. In brief the contract said that the Carbon Company would be paid a lump sum by the Radio Commission for certain specified services which they were to render. They hired the staff, which was normally limited to twenty-three, but the contract contained provisions whereby that number might be increased if the Radio Commission concurred. That was done on one or two occasions. Now, if that staff undertook work outside of their duties for the Radio Commission that was the business of the National Carbon Company, provided that in so doing the Radio Commission still received the services specified in the contract. That was the situation when Mr. Mortimer made his complaint to the commission. The gentlemen whom he mentioned in that letter were actually employees of the Carbon Company working for the Carbon Company at that time. We considered Mr. Mortimer's complaint and also the fact that these gentlemen were not government employees but simply working for the Carbon Company, rendering services to the commission, and therefore no direct action was taken at the time. However, as soon as we decided to take over from the Carbon Company on the 1st September, 1935, the chairman of the Radio Commission personally went to Toronto and informed the members of the staff that they could not continue taking outside work after they became government employees.

By Mr. Massey:

Q. You mean as of September 1, 1935?—A. Yes.

Q. You do not regard it as out of the way that these men took outside work?—A. It was none of our business unless the outside work affected the services they had guaranteed to render to the Radio Commission.

Q. Do you consider that those services were affected?—A. Not in any case.

Q. You do not consider there was anything out of the way in an artist employing a "stage" name for a performance?—A. Not at all.

By Mr. Campbell:

Q. If he is a government employee?—A. He said "an artist." An artist is not a government employee.

[Lieut.-Col. W. A. Steel.]

By the Chairman:

Q. As of the 1st September they were notified not to take outside work?—
A. Yes.

By Mr. McIntosh:

Q. Where a person is paid out of the money of the taxpayers of the country you agree that as a matter of principle he should give his whole service to his country for the salary he receives?—A. Yes, and I have stated that before this committee on two or three occasions.

By Mr. Massey:

Q. You do not feel that that principle was in the slightest degree abused by the action of these men at the time they were appointed?—A. No. We came to the conclusion that they were not breaking any regulation of the Radio Commission.

Q. Although you were skating on thin ice? (No response.)

Mr. CAMPBELL: Colonel Steel has made his position clear.

The CHAIRMAN: A document has been present to me headed "Reply of Canadian Radio Broadcasting Commission to Memorandum of the Canadian Radio League." Colonel Steel would like this memorandum extended into the record of the proceedings. Is it the pleasure of the committee that we comply with Colonel Steel's request in that regard? (Carried.)

REPLY OF CANADIAN RADIO BROADCASTING COMMISSION TO MEMORANDUM OF THE CANADIAN RADIO LEAGUE

"Proposals of the Canadian Radio League" submitted to the Special Committee of Parliament on May 7 by Messrs. Alan Plaunt and Brooke Claxton and Father St. Denis contain many suggestions with regard to public service broadcasting in Canada which undoubtedly have a large force of public opinion behind them. These will undoubtedly be carefully considered by the Committee.

The Canadian Radio Broadcasting Commission does, however, take serious exception to certain allegations, criticisms, and innuendoes embodied in the submission which have no basis in fact. Had Mr. Plaunt or any other of the gentlemen on the deputation taken the trouble to spend two hours in the offices of the Commission they could not have been guilty of some of the fantastic statements contained in the submission.

By inference the Radio League (page 8 of its submission) says the management has been "inexpert." Two of the Commissioners, the Chairman and Lieut.-Col. Steel, have been associated with that body since its inception. The Chairman has been familiar with the problems of most forms of program broadcasting since their very inception in North America. Colonel Steel's standing in the technical side of radio is a matter of international knowledge. The staff assembled by the Commission includes several gentlemen whose knowledge, experience, and efficiency in the practical side of broadcasting is unsurpassed and probably unequalled on this continent. In addition the Commission has developed the talents of several younger men of remarkable ability.

The Commission has never on any occasion yielded to partisan or community interference as alleged. Any allegations to the contrary have not and can never be substantiated.

Allusions on page 8 in which the idea of a Commission of three "required to formulate and execute policy" is condemned as "unworkable" shows an astounding ignorance of how the business of large industrial and financial corporations are conducted. In apportioning

certain responsibilities to certain commissioners and senior officers, the Radio Commission follows the practice adopted by corporations like the Imperial Oil Company and the Bell Telephone Company, whose executives, in many instances known as Vice-Presidents, are assigned specific fields of endeavor and periodically meet in conference to discuss their problems.

The Radio League further makes commentaries on the work of the Commission in four main categories—wire arrangements, public relations, technical, and programs.

Wire Arrangements

On page 8 the Canadian Radio League makes certain comments on the wire arrangements entered into by the Commission since its inauguration. The statements made are only partially correct. For the contract price of \$375,000 per annum, the Commission receives six hours daily on its national network, with eight and one half hours Sundays. In addition to this it has not only a national network for English but a French network, including all stations in the Province of Quebec. For this price the Commission receives the use of 6,428 miles of broadcast pair for the period stated. This works out at three cents per mile hour, and the Commission purchases all extra time outside of the periods stated above at this rate, and not at the ordinary commercial rate as stated by the Radio League. It will be appreciated that this rate is approximately one-fifth of the normal commercial rate for broadcast wire line service.

The high cost of national advertising in Canada is not due to the wire lines, but to the cost of stations. In order to obtain a reasonable coverage in Canada, it is necessary for an advertiser to rent a large number of very low power stations rather than a few high power stations, as is the case in the United States. The wire line cost per hour, at the present time, for the Commission's national network from Sydney to Vancouver is \$1,019.88. This includes twenty-six of the most important stations in the country insofar as coverage is concerned.

Twelve or sixteen hours could not be bought for anything approaching the present contract price to the Commission. It is true that the price for twelve or sixteen hours is the same, but the best figure ever quoted to this Commission by any wire line system in Canada for twelve hour service covering the stations normally included on the Commission's network was \$490,198.18 per annum.

The statement made in the fifth paragraph on page 8 is absolutely incorrect. Whenever the Commission sells its own lines to a commercial sponsor, the sum received is credited to the account of the Commission and not to the account of the wire line companies.

Since 1933 there has been a sharp reduction in wire rates obtained through the instrumentality of the Commission; in certain areas 25 per cent and in other areas approximately 40 per cent, so that the over-all reduction is approximately 32½ per cent, which brings wire costs to commercial sponsors using the national network to within the figures suggested by the Radio League. In its discussion of national advertising by radio, the Radio League ignores the fact that all coast-to-coast advertising is conditioned by purchasing power of the regions covered. It is notorious that in certain provinces of Canada purchasing power has become so reduced in the depression years that so-called national advertisers feel that expenditures on coast-to-coast hook-ups will not yield adequate financial returns. The fact that lacking commercial programs of importance, the Commission has provided listeners with interesting sustaining programs is the secret of its great popularity in provinces remote from centres like Toronto and Montreal.

Public Relations

The Radio League make the assertions that "the public relations of the Commission has perhaps been its worst feature" and that "no serious attempt appears to have been made to explain to the Canadian public the purpose and scope of its broadcasting, or secure the goodwill and cooperation of the people of Canada." It offers nothing in substantiation of these statements, nor could they be substantiated, for they are wholly contrary to facts. The public relations affairs of the Commission have been prosecuted efficiently and effectively, as results show. The policies, efforts, aims and actions of the Commission, not only in respect of the purpose and scope of its broadcasting but in respect of all other matters as well, have been brought to and kept before the attention of the Canadian public by all proper means, with the result that the Commission and the national broadcasting service have attained progressively to the enjoyment of the goodwill, in a remarkable degree, of the public as a whole, without which they must have failed. Among manifestations of this helpful goodwill have been those given by organizations and individuals which the Radio League claims it represents and by most of the newspapers it quotes in support of its submission.

Explanations of the Commission's policy and position in respect of various matters of public interest and concern, including matters stressed by the Radio League itself, have been given to the public from time to time through all available mediums, including not only newspapers and periodicals but organizations of various kinds, public men and other prominent persons in a position to inform the public. Among matters in which the position of the Commission has thus been fairly well established in the public mind are: the use of the two languages in broadcasting, the character and quality of the broadcasting service the Commission endeavours to provide, its inability for financial reasons to make up deficiencies in coverage, the problem of limited channels, limitation and regulation of advertising—all of which were dwelt upon by the Radio League itself. The public also has been acquainted with the fact that all the principal aims set up by the Aird Commission, whose proposals the League commends, for a national broadcasting service have been achieved in substantial degree in the service operated by this Commission, namely provision of Canadian broadcasting in place of broadcasting from sources outside Canada; equitable distribution of the service as between urban and rural communities; employment of broadcasting as an instrument of education and for informing the public on questions of national interest; exchange of programs between different parts of the country; exchange of programs with other countries; generally the carrying on of broadcasting in the interests of Canada listeners and in the national interests.

If expositions or explanations of the Commission's position in some matters do not always reach the public as coming directly from the Commission in the way of propaganda but rather from disinterested quarters, the public relations efforts and methods of the Commission obviously are not less effective for that reason. It will be understood that the Commission, being a government agency whose actions may at any time be the subject of parliamentary or political debate, could not properly solicit organizations or individuals for expressions of support or backing as the Radio League was able to do in the case of its proposals.

The goodwill of the public which the national broadcasting system now enjoys in such remarkable degree has been built up by gradual and steady process from what was not far short of zero. At the outset of its career there was an inadequate understanding on the part of the public of the Commission's actions and aims, even of its statutory

functions, and a large section of the press, from which the public secured its information, treated of Commission matters unsympathetically and in a manner to influence public sentiment adversely. Gradually this unsympathetic attitude on the part of the press has in the main been reversed. Generous space is given to information about the Commission and its activities, its more important broadcasts receiving almost 100 per cent of possible advance notice in the newspapers, and it is being accorded editorial support by the great majority of leading newspapers. There is evidence from time to time also that public sentiment is behind the Commission to an even greater degree than is reflected in the press, a recent example being an almost instantaneous wave of listener support for the commission in reaction to criticism by a few newspapers of its broadcasting service on the Moose River mine rescue.

Technical

The paragraphs covering the technical work of the commission are full of inaccuracies. On page 13 the Radio League intimates that this commission has made no attempt to carry out a survey of broadcasting conditions in Canada. This is absolutely incorrect. Since the spring of 1933 this commission has been continuously busy carrying out surveys of broadcasting conditions from Cape Breton to Victoria. It has, at the present time, data sufficient to enable it to plan intelligently any broadcast system required in this country. The commission has made surveys of the attenuation factor over the whole country and has made particular surveys in places where previous information on coverage was not available. This information is becoming steadily more complete and is used regularly by the commission, in connection with all changes in power or in re-allocation of channels.

The Radio League intimates that the province of British Columbia could be covered satisfactorily by a co-ordination of the presently existing small stations. This statement indicates a woeful lack of knowledge of radio conditions anywhere in Canada. The topographical conditions in the interior of British Columbia are such that even a high power station would only be able to cover a local area, due to the reflection and refraction occasioned by the mountainous nature of the area.

It is true that the proposal to establish a high power station in Western Canada has not as yet been proceeded with. This is not due to any oversight on the part of the Commission, but to the fact that money was not available. It is obvious that money to establish a high power station could not be obtained from the normal revenue of the commission, without seriously decreasing the service given to Canadian listeners. The commission has repeatedly requested the government to supply money for this purpose, either on a capital outlay basis or on the basis of payment over a period of five years. For reasons beyond its control, neither of these suggestions was adopted by the government.

There is no duplication of service in Montreal. The two stations originally located at that point constitute the outlets for the two American chains in that centre, and approximately 65 per cent of their time is devoted to United States programs. It was absolutely essential that the Commission should establish a station of its own at that point, in order to bring Canadian programs to Montreal and to the province of Quebec.

The Canadian Radio League states that no adequate technical program was devised for the Maritimes. This statement also is in error. The Commission's program of technical development in the Maritimes has added four new 1,000-watt stations where only 100-watt stations existed previously. It should further be pointed out that these 100-watt stations

were old and obsolete, and were not rendering adequate service. In addition all 100-watt stations in the provinces have been brought thoroughly up-to-date with modern equipment, and two new 100-watt stations have been added to the system. It is true that this work was not carried out with government money, but was brought about by pressure brought to bear by this Commission in order to improve conditions existing in the Maritimes generally.

The Radio League attempts to indicate that political interference with the Commission's technical program in Ontario was established on the floor of the House last year. A survey of Hansard for the period in question will show that this is not the case. In no instance can it be proved that political interference with the Commission's technical program in Ontario was established on the floor of the House last year. A survey of Hansard for the period in question will show that this is not the case. In no instance can it be proved that political interference affected the Commission's technical program in any part of Canada.

Programs

So far as the comment on programs is concerned, the members and senior officers of the Radio Commission are as well qualified to speak as any one association with the Radio League. The charge that the Commission aims at quantity rather than quality is untrue. It does bear in mind, however, that varying degrees of sophistication exist among listeners; that thousands do not care for classical music while other thousands do not care for popular music. The Commission endeavours during the average evening to provide something for everybody of the best quality in its kind. The Commission has achieved immense popular support for such programs as "Cotter's Saturday Night," "Let's Go to the Music Hall," and "Young Tim," which would probably be dismissed by critics as lacking "quality" but which are dear to the hearts of countless Canadian listeners. The Chairman, whose program experience antedates radio by many years has always felt that a good deal of snobbery attaches to the word "quality" as ordinarily used.

The Radio League stresses the merits of the Aird Report, argues the importance of its proposals. It may be pointed out in this connection that all the principal aims laid down by the Aird Commission for a national broadcasting service have been achieved in very considerable measure in the service operated by this Commission, notwithstanding that the Commission has at its command only a fraction of the financial resources proposed by the Aird Commission. The Aird Commission emphasized that Canadian listeners wanted Canadian broadcasting and pointed out that at that time the majority of the programs heard were from sources outside Canada. This Commission is providing six hours of broadcasting service daily throughout the country, most of it from Canadian sources. The Aird Commission stressed reduction in the volume of advertising forced upon the listener as one of the major aims of a national service. In the six hours of broadcasting provided by this Commission there is no advertising, and the advertising content of programs from commercial sources has been reduced and limited. The Aird Commission held it to be highly important that the inequitable distribution of radio service as between urban and rural communities should be corrected. The daily broadcasting service of this Commission is distributed to all parts of the country, rural and urban alike. The employment of broadcasting as an instrument of education, "education in the broad sense, not only as it is conducted in the schools and colleges, but in providing entertainment and of informing the public on questions

of national interest," was among the major aims mentioned by the Aird Commission. Broadcasting along these lines, programs of educational and informative character, arranged in co-operation with university committees and other organizations, have a large place in our regular schedules. Exchange of programs between different parts of the country was another aim and this has been achieved. Another was exchange of programs between Canada and other countries and this also has been accomplished; selected high-class programs from the United States are brought to our networks and Canadian programs produced by this Commission are broadcast in the United States with benefit to Canada; programs are also brought in from Great Britain. The general aim laid down by the Aird Commission of broadcasting "in the interests of Canadian listeners and in the national interests of Canada" has, we think, been closely followed.

The CHAIRMAN: I have received an invitation from Dr. Geldert of Station CKCO, 200 Somerset Street West, inviting the members of the radio committee to visit his station, and he has suggested that we do so on Monday evening. If any member of the committee wishes to visit that station and see how broadcasting is carried on and how the machinery works, and so on, I shall make arrangements with Dr. Geldert if you will let me know in my office later on.

Dr. GELDERT: If I may amplify that, this morning I said to the chairman that it would afford the members of the committee an opportunity of seeing what a private small low power station can do and how it operates.

The CHAIRMAN: If the members of the committee who desire to visit the station will let me know in my office during Monday I shall get in touch with Dr. Geldert.

The next order of business is to prepare a report and present it to the House of Commons. The usual procedure in committees, I understand, is to appoint a subcommittee to prepare the report and submit it to the whole of the committee. Is it your wish that the chairman appoint a subcommittee?

Mr. McINTOSH: Yes.

The CHAIRMAN: Then I will appoint Mr. Denton Massey, Mr. Georges Bouchard and Mr. Paul Martin. The minister will act and I shall be on the committee in an ex-officio capacity. Is that satisfactory to the committee? (Carried.)

I desire to express my very sincere appreciation of the co-operation of all the members of the committee. I think we have done good work. We have gathered evidence which will be valuable to radio broadcasting in Canada.

Colonel CHAUVEAU: I desire to move a vote of thanks to the chairman of the radio committee on behalf of the radio commission.

Mr. MARTIN: I move a vote of thanks to Mr. Morris, the secretary, for his usual courtesy to the members of the committee, and also the shorthand reporters who have recorded the proceedings. Mr. McIntosh is also deserving of the thanks of the members of the committee for the last half hour!

Mr. MASSEY: Without any desire to indulge in an orgy of panegyric I feel that every member of the committee realizes that your conduct of the committee, Mr. Chairman, has been extraordinarily fair, considerate and just, and on behalf of the committee I would like to move a vote of thanks to you.

Mr. BOUCHARD: I desire to second that motion. (Carried with applause.)

Whereupon the committee concluded its hearing of evidence at 6.20 o'clock p.m., and adjourned to the call of the chair.

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SESSION 1936

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON THE

CANADIAN RADIO COMMISSION

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 17

TUESDAY, MAY 26, 1936

THIRD AND FINAL REPORT

also containing

List of Members of the Committee; Orders of Reference and First and Second Report; index of witnesses and pages where evidence is found; list of Appendices and list of Exhibits.

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MEMBERS OF THE COMMITTEE

Mr. A. L. BEAUBIEN, *Chairman*

Mr. E. Bertrand,	Hon. C. D. Howe,
Mr. G. Bouchard,	Mr. C. E. Johnston,
Hon. C. H. Cahan,	Mr. F. D. MacKenzie,
Mr. C. A. Campbell,	Hon. I. A. Mackenzie,
Hon. P. J. A. Cardin,	Mr. C. R. McIntosh,
Mr. K. J. Cochrane,	Mr. P. Martin,
Mr. V. Dupuis,	Mr. D. Massey,
Mr. A. McK. Edwards,	Mr. D'A. B. Plunkett,
Mr. T. V. Grant,	Mr. W. M. Ryan,
Mr. O. Hanson,	Mr. A. G. Slaght,
Mr. C. B. Howard,	Mr. J. S. Woodsworth.

E. L. MORRIS,

Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

THURSDAY, March 19, 1936.

Resolved,—That a Special Committee consisting of: Messrs. Beaubien, Beaubier, Bertrand (*Laurier*), Bouchard, Campbell, Cardin, Cochrane, Dupuis, Edwards, Grant, Hanson, Howard, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), Mackenzie (*Vancouver Centre*), McIntosh, Martin, Massey, Plunkett, Ryan, Slaght, Woodsworth, be appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof; to advise what, if any, changes shall be effected in the existing system of radio broadcasting; and whether the said statutes and regulations should be amended in whole or in part, and what, if any additions should be made thereto; also to inquire into the extent to which there has been any abuse of broadcasting privileges, either for political or advertising purposes, and to advise as to what principles should govern the regulations or control thereof; that Rule 65 be suspended in relation thereto; that the said Committee be empowered to send for persons, papers and records, to examine witnesses for evidence, to print such papers and evidence from day to day, as may be ordered by the Committee for the use of the Committee and members of the House, and to report from time to time.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

MONDAY, March 23, 1936.

Ordered,—That the name of Mr. Cahan be substituted for that of Mr. Beaubier on the Special Committee appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

THURSDAY, April 23, 1936.

Ordered,—That the said Committee be granted leave to sit while the House is sitting.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House.

MONDAY, May 4, 1936.

Ordered,—That the quorum of the said Committee be reduced from twelve to nine members.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

FRIDAY, May 8, 1936.

Ordered,—That the name of Mr. Graydon be substituted for that of Mr. Plunkett on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORTS OF THE COMMITTEE

THURSDAY, April 23, 1936.

FIRST REPORT

The Special Committee appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof, begs leave to present the following as a

FIRST REPORT

Your Committee recommends that it be granted leave to sit while the House is sitting.

All of which is respectfully submitted.

A. L. BEAUBIEN,
Chairman.

MONDAY, May 4, 1936.

SECOND REPORT

The Special Committee appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the regulations made under authority thereof, begs leave to present the following as a

SECOND REPORT

In order to facilitate the work of your Committee by providing a more assured continuity of meetings during the future period of the inquiry, your Committee recommends that its quorum be reduced from Twelve to Nine members.

All of which is respectfully submitted.

A. L. BEAUBIEN,
Chairman.

TUESDAY, May 26, 1936.

THIRD AND FINAL REPORT

The Special Committee appointed to inquire into the operations of the Canadian Radio Commission and its administration of the Canadian Radio Broadcasting Act of 1932 and Amendments, and the Regulations made under authority thereof, has the honour to present the following as an unanimous

THIRD AND FINAL REPORT

Your Committee held twenty-five meetings and heard thirty-seven witnesses, including three Members of Parliament, and after careful consideration of the

evidence presented not only before this Committee, but also before the 1932 and 1934 Committees, we desire to endorse the conclusion reached in 1934, viz., that:—

It has been made evident to your committee that the establishing of national broadcasting in Canada presents many difficulties, for the correction of which time, experience and large expenditures of public money will be necessary.

1. It has been amply demonstrated that a commission of three cannot be moulded into a unit that can formulate and execute policies successfully. Evidence adduced before this committee has made it apparent that under the existing organization there has been lack of co-ordination in dealing with some major questions.

1(a). After carefully reviewing the administration of radio broadcasting we have reached the conclusion that recommendation number one of the 1934 committee, viz:—

that in the opinion of your committee radio broadcasting could best be conducted by a general manager,

is justified in all respects, and your committee hereby endorses and repeats this recommendation.

2. We recommend that the Canadian Radio Broadcasting Act of 1932 be repealed and that a new Act be substituted therefor, which will place the direction of broadcasting in the hands of a corporation with an honorary board of nine governors chosen to give representation to all parts of Canada, this board to operate through a general manager and an assistant general manager, who will be responsible to the board for the conduct of all business of the corporation.

Members of the honorary board of governors should be men of broad outlook, having a knowledge of the tastes and the interests of the listening public and who can make a definite contribution to the solution of the problem before the corporation.

The general manager should be appointed by the Governor in Council, upon the recommendation of the board of governors, and should be an executive of the widest experience in the field of radio broadcasting.

3. We recommend that the corporation be given substantially the powers now enjoyed by the British Broadcasting Corporation (see appendix attached), and, in addition, that it be given exclusive control over:—

- (i) the character of all programs, political and otherwise, broadcast by private stations, and the advertising content thereof;
- (ii) all wire line networks used for carrying broadcast programs.

4. Your committee is of the opinion that the corporation should enjoy the fullest possible freedom, in so far as its internal activities are concerned, including full authority to engage, dismiss and control its employees and fix their remuneration.

5. Your committee endorses the recommendation of the Aird Commission in regard to the technical control of stations and reaffirm the views of that commission as set out in page 11 of their report, viz:—

CONTROL

The Minister of Marine and Fisheries under the Radiotelegraph Act is the licensing authority for all classes of radio stations, which includes radio broadcasting stations and receiving sets. Direct control over such technical questions as wavelengths, power of stations and the collection of licence fees should, we consider, remain with this authority. In order

to promote good reception conditions, it is most desirable that the radio activities of other departments of the Government should conform to the regulations and be subject to the authority of the Radiotelegraph Act. We are also of the opinion that the Radio Branch of the Marine Department should continue to carry on the service to broadcast listeners, which includes the suppression of inductive interference.

Certain of the technical duties now carried out by the department in regard to the radiotelegraph and radiotelephone stations in the Dominion appear to be duplicated by the commission in the case of broadcasting stations and the preponderance of evidence presented before your committee was strongly in favour of the handling of all this work by the department.

6. We regard it as a fundamental requirement that complete co-operation be established and maintained at all times between the minister and the corporation, and that the minister before taking any action towards the authorizing of any new private stations, changing the power of such stations, assigning wavelengths and other co-related questions, shall first consult with and obtain the recommendations of the corporation to the end that if and when it is decided to extend the national system, the location and organization of private stations will be such as to permit of the efficient absorption of any or all of them into the national system.

7. We reaffirm the principle of complete nationalization of radio broadcasting in Canada. Pending the accomplishment of this, radio listeners will continue to be dependent on private stations for much of their entertainment, and your committee is of the opinion that the fullest co-operation should be maintained between the corporation and the private stations.

8. We desire to reaffirm the principle set out in the Canadian Radio Broadcasting Act of 1932 that in determining the compensation to be paid for the taking over of any private stations, no allowance shall be made for the value of the licence terminated by the taking over of such station, and that no person shall be deemed to have any proprietary right in any channel allotted, and that no person shall be entitled to any compensation by reason of the cancellation of the allotment of a channel or change in a channel.

9. Your committee recommends that the corporation immediately consider ways and means of extending national coverage, either by linking additional existing private stations to the corporation's network or by the establishment of new stations.

10. In order to provide for the establishment of new stations from time to time to give further coverage, it is recommended that the corporation be authorized to borrow from the Government sums not exceeding a total of \$500,000 under such terms and conditions as may be prescribed by the Governor in Council.

The interest and amortization charges on such loans as may be granted shall be a first charge on the revenues of the corporation.

Your committee recommends that power be given to the Minister of Marine to control the use of electrical apparatus, machinery, or any devices which cause local interference with radio reception.

12. Your committee finds that during the last election there was serious abuse of broadcasting for political purposes and that lack of a proper control by the commission was apparent. The most glaring instance brought before the committee relates to the "Mr. Sage" broadcasts, in which offensive personal references were frequent and to which no proper or adequate political sponsorship was given. Some of these offensive broadcasts originated in the Toronto studios of the Radio Commission.

We also find that credit was issued to political parties in direct violation of the rules of the commission, which rules prescribe that all political broadcasts must be paid for in advance. Generally speaking from the evidence presented before your committee we are forced to the conclusion that there was a loose administration of commission affairs.

Your committee recommends that the following points be incorporated in the new legislation:—

- (i) That dramatized political broadcasts be prohibited.
- (ii) That full sponsorship of all political broadcasts be required.
- (iii) That the limitation and distribution of time for political broadcasts be under the complete control of the corporation, whose duty it shall be to assign time on an equitable basis between all parties and rival candidates.
- (iv) That no political broadcasts be allowed on an election day or during two days immediately preceding same.

13. Your committee recommends that, as soon as it becomes possible, to review, readjust or amend the contracts for wire line networks, consideration be given to the inclusion in such networks of the telephone line systems, particularly those owned by provincial Governments of the Prairie Provinces.

14. Your committee recommends that, in the matter of news broadcasts, the closest possible co-operation should maintain between the Broadcasting Corporation and the Canadian Press.

15. Your committee recommends that legislation be introduced in Parliament at this session to give effect to these recommendations.

A copy of the minutes of proceedings and minutes of evidence adduced before your committee, together with exhibits and papers relative thereto, are herewith submitted with the report, for the information of the House.

All of which is respectfully submitted.

A. L. BEAUBIEN,
Chairman.

APPENDIX TO REPORT

SYNOPSIS OF POWERS OF THE BRITISH BROADCASTING CORPORATION

(As set out in paragraph 3 of their charter of incorporation)

- (a) To carry on broadcasting service.
- (b) To acquire any undertaking, stations, plant, etc., for carrying on the corporation's work.
- (c) To establish and maintain stations.
- (d) To publish papers, books, magazines, etc.
- (e) To collect news.
- (f) To acquire copyrights in literary, musical and artistic works, gramophone records, etc.
- (g) To purchase and acquire patent rights.
- (h) To enter into arrangements with the Government or other authorities subject to certain limitations.
- (i) To establish and support pension schemes for employees.
- (j) To purchase and lease real and personal property.
- (k) To invest corporation money not immediately required.
- (l) Borrow money.
- (m) To sell or lease property.
- (n) Do such other things as may be conducive to the objects of the corporation.

LIST OF WITNESSES, OFFICIAL POSITION OR RESIDENCE, AND
PAGES WHERE EVIDENCE OF EACH IS FOUND

- ASHCROFT, R. W., Toronto, formerly General Manager, Trans Canada Broadcasting Company. pp. 645-654 incl.
- BANNERMAN, GLEN, Toronto, Association of Canadian Advertisers. pp. 569-588 incl.
- BLAIS, FRANK, M.P., Member for Chapleau, Que. pp. 344-346 incl.
- BRADETTE, JOS. A., M.P., Member for Cochrane, Ont. pp. 419-422 incl.
- BURFORD, W. T., Ottawa, representing All-Canadian Congress of Labour. pp. 637-645 incl.
- CHARLESWORTH, HECTOR, Chairman, Canadian Radio Broadcasting Commission, Ottawa. pp. 4-29, 32-59, 82-88, 234-251, 269-282, 284, 676-702 (all inclusive).
- CLAXTON, BROOKE, Barrister, Montreal, representing the Canadian Radio League. pp. 362-370 incl.
- COFFEY, PAUL, representing Young Men's Canadian Club, Montreal. pp. 221-233 incl.
- DUNLOP, S. P., President, Montreal Federation of Musicians, Montreal. pp. 305-325 incl.
- GIBBONS, J. J., of J. J. Gibbons Limited, Advertising Agency, Bay street, Toronto. pp. 253-266 incl.
- HASLAM, REV. H. L., Yarmouth, Nova Scotia. pp. 422-428 incl.
- HENSHAW, DON G., Dramatist, Toronto. pp. 163-193 incl.
- HOWARD, DAVID L., Montreal, representing the Wire Line Companies (Telegraph). pp. 519-551 incl.
- LANDRY, LT.-COL. R. P., Secretary, Canadian Radio Commission, Ottawa. pp. 133, pp. 719-747 incl.
- LIVESAY, J. F. B., General Manager, Canadian Press, Toronto. pp. 69-81, 428-436 all inclusive.
- LUCAS, RUPERT, supervisor of Studios, Station CRCT, Toronto. pp. 127-139 incl.
- MACLAREN, J. A., Canadian Association of Advertising Agencies, Toronto. pp. 588-593 incl.
- MAGLADERY, THOMAS, Deputy Minister of Immigration, Ottawa. pp. 144-148, 150-162 all inclusive.
- MAJOR, HON. W. J., Attorney General of Manitoba and Minister of Telephones and Telegraphs; also representing before the Committee the telephone systems of Saskatchewan and Alberta. pp. 441-460 incl.
- MAXTED, STANLEY, Station Manager and Regional Program Director for Ontario, Commission Station CRCT, Toronto. pp. 108-117, 120-127 all inclusive.
- MOORE, HERBERT, New York, President, Transradio Service, Headquarters, New York City. pp. 377-397 incl.
- MORTIMER, W. R., Accounts Branch, Canadian Radio Commission, Ottawa. pp. 293-303 incl.
- MURDOCH, W. M., Chairman of Canadian Radio Committee, representing all the locals of the American Federation of Musicians in Canada; also, President of the Toronto Musical Protection Association, Toronto. pp. 326-340 incl.
- PASMORE, C. M., MacLaren Advertising Company, Limited, Toronto. pp. 551-568 incl.
- PLAUNT, ALAN B., Honorary Secretary, Canadian Radio League, Ottawa and Toronto. pp. 346-362, 372-377 all inclusive.

- POWELL, WALTER E., Station Manager, Headquarters, Canadian Radio Commission, Ottawa. pp. 195-219 incl.
- PRESTON, W. B., Chairman, Canadian Press, "Brantford Expositor," Brantford. pp. 66-69 incl., 76, 77, 80 and 81.
- RALSTON, COL. THE HON. J. L., K.C., Montreal, representing the Trans Canada Telephone System. pp. 461-500 incl.
- SEDGEWICK, HARRY, Toronto, Chairman, Canadian Association of Broadcasters. pp. 140-144, 654-671 all inclusive.
- SHAVER, G. M., representative of the Treasury, Department of Finance, Ottawa. pp. 709-719 incl.
- SMITH, E. NORMAN, Vice President, Canadian Press, "Ottawa Journal," Ottawa. pp. 78-80 incl.
- ST-DENIS, REV. FATHER H., Professor of Philosophy, Ottawa University, Ottawa. pp. 371-375 incl.
- STEEL, LT.-COL. W. ARTHUR, Commissioner, Canadian Radio Commission, Ottawa. pp. 94-107, 285-293, 692-695, 698-701 and 748-777 all incl.
- WEIR, E. A., formerly with C. N. R. and Radio Commission in radio broadcasting service. pp. 502-517 incl.
- WRIGHT, RODERIC L., Director of Research, J. J. Gibbons Limited, Advertising Agency, Toronto. pp. 266-269.

LIST OF APPENDICES AND PAGES WHERE FOUND

- No. 1. Canadian Radio Broadcasting Commission official Position List, arranged by Location. (see pp. 60-62 incl.)
- No. 2. Minute of Treasury Board, P.C. 11/2868, re appointment of Mr. Maxted and Mr. Lucas, with a number of others to the Canadian Radio Commission. p. 193.
- No. 3. Proposals of the Canadian Radio League for the organization of Broadcasting in Canada. pp. 398-417 incl.
- No. 4. Brief submitted by Joseph A. Bradette, M.P., Member for Cochrane, Ontario. pp. 438-440 incl.
- No. 5. Brief of Canadian Radio Commission in rebuttal evidence to brief submitted by Mr. S. P. Dunlop, President, Montreal Federation of Musicians, on May 5. pp. 594-633 incl.
- No. 6. Submission of the Canadian Radio Commission; Memoranda on Political Broadcasting. pp. 703-705 incl.
- No. 7. A Review of the Financial Administration of the Radio Commission, with comparisons. pp. 706-708-9 incl.

LIST OF EXHIBITS

- No. 1. Annual Report of Canadian Radio Commission, March 31, 1935.
- No. 2. Regulations passed by Order-in-Council, and by the Commission, not in printed form, Instructions to Station Managers, (see No. 4).
- No. 3. Statement by Radio Commission to Canadian Press, June 28, 1934.
- No. 4. Same as No. 2—Regulations.
- No. 5. Copies of instructions *re* use of records and electrical transcriptions.
- No. 6. Summary of commendations received by Radio Commission since June 28, 1934.
- No. 7. Wire Line contracts (to be used *in camera*).
- No. 8. Recommendations submitted by Mr. Thomas Maher, to Chairman of Committee and to Right Hon. Mr. Bennett, in May, 1934.

- No. 9 (a). Correspondence between the Comptroller of the Treasury and the Canadian Radio Commission.
- No. 9 (b). Correspondence between the Auditor General and the Canadian Radio Commission.
- No. 10. P.C. 11/2868, Sept. 16, 1935, authorizing appointment of certain staff at Station CRCT, Toronto.
- No. 11. Instructions to Station Managers *re* Article 90.
- No. 12. Copy of Poster, with letter, sent to Station Managers *re* Article 90.
- No. 13. Respecting Free Time—"Dead Head" charges, allowed for broadcasting.
- No. 14. Schedule of Station rates for Commercially sponsored programs.
- No. 15. Schedule of Network Broadcasts—Conservative Party, 1935.
- No. 16. Schedule of Network Broadcasts—Liberal Party, 1935.
- No. 17. Schedule of Network Broadcasts—Co-operative Commonwealth Federation, 1935.
- No. 18. Schedule of Network Broadcasts—Reconstruction Party, 1935.
- No. 19. Complaints and Commendations (summary prepared by Mr. Buchanan of the Radio Commission).
- No. 20. Canadian Press Memoranda "News of the Air."
- No. 21. Extracts, Studio Log of Station CRCT—Commission Station, Toronto.
- No. 22 (a). Statement by representative of the Treasury, *re* cost of programs of Canadian Radio Commission—Week ended February 8, 1936.
- No. 22 (b). Correspondence in reference to "Mr. Sage" broadcasts.
- No. 23. Correspondence and extract from Minutes of Commission *re* application of CKAC for increase of power.
- No. 24. Statement of account, with invoices attached, respecting Conservative Party broadcasts, 1935.
- No. 25. Respecting contracts for networks for political broadcasting, 1935.
- No. 26. *Re* estimate of network costs for political broadcasting, 1935.
- No. 27. Itemized disbursements *re* costs of production of "Sage" broadcasts. (By Mr. Gibbons).
- No. 28. P.C. 4/49, January 10, 1935, authorizing additional appointments to staff of Radio Commission.
- No. 29. Copy of Contract between Radio Commission and Canadian National Carbon Company Limited, Toronto.
- No. 30. Expense Accounts and Vouchers of Messrs. Landry, Dupont, Olive and Taggart of the Canadian Radio Commission.
- No. 31. Correspondence files between the Canadian Radio Commission and the Canadian National Carbon Company Limited, Toronto.
- No. 32. Statements of prosecutions under the Radiotelegraph Act; Summary of convictions in Court cases *re* owners of unlicensed receiving radio sets. Filed by Commander C. P. Edwards, Director, Radio Service, Department of Marine.
- No. 33. Statement of suggestions *re* radio broadcasting filed by Mr. W. E. Powell, Commercial Department, Canadian Radio Commission.
- { No. 34 (a). Maps of telephone routes, prairie provinces.
- { No. 34 (b). Report Log of programs filed by Hon. W. J. Major, Attorney-General of Manitoba, and Minister of Telephones and Telegraphs.

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